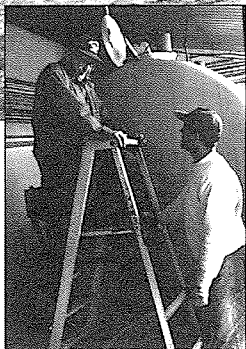


# INVESTING IN THE FUTURE OF AGRICULTURE:

The Massachusetts Farmland  
Protection Program and the  
Permanence Syndrome



  
*American Farmland Trust*

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American Farmland Trust is the only private, nonprofit conservation organization dedicated to protecting the nation's strategic agricultural resources. Founded in 1980, AFT works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. Its activities include public education, technical assistance, policy research and development and direct land protection projects. Basic AFT membership is \$20 a year. AFT provides a variety of professional services to state and local governments and public agencies, private organizations, land trusts and individual landowners. Services include customized information products and workshops on farmland protection and estate planning; policy research, development and evaluation; farmland protection program implementation and conservation real estate consulting.

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# INVESTING IN THE FUTURE OF AGRICULTURE:

The Massachusetts Farmland  
Protection Program and the  
Permanence Syndrome

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Robert C. Wagner  
and Julia Freedgood

*Sponsored by:*

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Deerfield Land Trust  
Franklin Land Trust



*American Farmland Trust*

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Larry and Kenny Shearer with maple syrup evaporator  
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### ACKNOWLEDGMENTS

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Most importantly, we acknowledge and appreciate all of the farmers who participated in this study. They are dedicated and committed stewards of the land, whose vision and action will ensure the future of agriculture. A special thanks to Thomas and Jackie Beauchesne; Paul and Anne Duffy, Edwin and Linda Matuszko, the Melnik family of Deerfield; Mary, Gordon, Darryl and Lucinda Williams and Larry and Kenny Shearer, who agreed to let their farms be used as case studies for this report.

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## EXECUTIVE SUMMARY

America is losing approximately 1 million acres of farmland every year. Between 1982 and 1992, every state lost some of its prime or unique farmland to urban development. As awareness of the threat to farmland grows, state and local governments are increasingly looking at Purchase of Agricultural Conservation Easement programs as a solution. PACE programs protect farmland by compensating farmers for giving up the right to develop their land.

## EXECUTIVE SUMMARY

Since 1977, state and local governments and the federal government have spent more than \$975 million to purchase agricultural conservation easements on more than 581,000 acres of farmland. PACE programs are designed to prevent conversion of farmland to non-agricultural uses. Critics claim that PACE is an expensive approach to protecting open space, while advocates maintain that these programs have significant agricultural, economic and environmental benefits. Until now, there has been little evidence to support either viewpoint.

In 1997, American Farmland Trust and the Franklin and Deerfield land trusts conducted a study of 75 farms protected by the Massachusetts Agricultural Preservation Restriction program. The results of the study clearly document the agricultural and economic benefits of PACE programs. Major findings include the following:

1. **The land protected by the Massachusetts APR program is actively farmed.**  
Sixty percent of the farmers surveyed said that *all* of their protected land is in agricultural use. An additional 30 percent reported that the majority of their APR land is being farmed. Fewer than 10 percent of farmers said that less than half of their protected land is devoted to agriculture. Much of the land not being farmed is woodland, wetlands or otherwise unsuitable for agricultural use. In some cases, participation in the APR program has increased farming activity on the land, as landowners have cleared brush, re-seeded hayfields and brought old fields back into production.
2. **Owners of protected farms plan to keep their land in agricultural use for the foreseeable future.**  
More than 93 percent of farmers surveyed said that they planned to keep the land in agricultural use for the next decade.
3. **The APR program facilitates transfer of farmland to the next generation of farmers.**  
Farmers who purchase or inherit protected farms are younger and have more resources to devote to agriculture than those who sell restrictions on the land. The average age of farmers who sold a restriction on their land was 65, compared to 49 for farmers who bought protected land and 47 for farmers who inherited land enrolled in the APR program. Median income for the older group of farmers was \$31,713, compared to \$40,601 for land purchasers and \$62,500 for farmers who inherited protected land.

Interviews conducted for this study show that young, innovative, educated, highly motivated farmers are actively looking for parcels of protected land. Seventy-five percent of farmers who purchased protected land said that the APR program had a "very positive impact" on the purchase price of the land, and 62.5 percent said that the program had a "very positive impact" on their actual ability to buy the land.

More than 70 percent of farmers surveyed intend to pass their protected land on to other family members in the future. Nearly 50 percent believe that the APR program will help them achieve this goal.

**4. The APR program supports investment in agriculture.**

One of the most dramatic and promising findings of this study is the extent to which APR farmers are investing in the agricultural potential of their land. Almost three-quarters of the farmers interviewed have improved their operations since they participated in the APR program. Improvements include repairs to farm buildings, implementation of conservation practices, purchase of land, equipment and livestock, and development of new products and marketing strategies. Seventy-eight percent of the farmers who made changes said that the APR program was important to improving their operations, and 95 percent said that they believed the changes made are important to the long-term viability of their operations.

Information collected during personal interviews suggests that the APR program creates a psychological “permanence syndrome” among participating farmers. Farmers who believe that their land is safe from non-farm development feel more secure about investing in the agricultural potential of the land. This investment—in farm buildings, conservation practices, land, machinery, livestock and farm management strategies—creates a greater likelihood that protected farms will be successful in the future.

**5. Farmer satisfaction with the APR program is extremely high.**

Eighty-five percent of the farmers surveyed were satisfied with the APR program. Ninety-two percent said that they would be likely participate again.

**6. Participation in the APR program is a key element of a comprehensive strategy to keep farms viable for the future.**

Many of the farmers interviewed expressed their belief that without the opportunity to participate in the APR program, they would no longer be farming. Others said that they would still be farming, but they would have had to sell land for development to stay in business. The APR program serves as a safety net for some struggling farms, but it seems to be most effective when used as one element of a comprehensive strategy to keep a farm viable for the future. The six case studies included in this report illustrate how farmers are using the APR program to expand and modernize their operations, implement environmentally sound farming practices and transfer land and operations to younger family members. These farmers emphasize the importance of developing business, marketing and estate plans as part of the process of deciding to protect a farm.

## INTRODUCTION

In September 1997, the Massachusetts Agricultural Preservation Restriction program celebrated its 20th anniversary. The APR program was one of the first state-run programs to give farmers an alternative to selling land for development. It was created to stem the tide of farm sales and farmland conversion in the decades following the end of World War II. Between the mid-1940s and the mid-1970s, Massachusetts lost 83 percent of its 35,000 farms. Land in farms, as measured by the U.S. Census of Agriculture, declined from 2 million acres to 600,000 acres. The trend seemed clear: Unless something was done, Massachusetts farms and farmland were headed for extinction.

The APR program was inspired by the purchase of development rights program created in Suffolk County, N.Y. The county, located on the eastern end of Long Island, was farmed extensively prior to World War II; but demand for suburban and vacation homes resulted in skyrocketing land prices during the 1950s and 1960s. Potato, vegetable, live-stock and poultry farmers found that they could not compete with developers for land. Property taxes became a very heavy burden. Residential development made agricultural practices such as manure spreading and chemical spraying more difficult and controversial. Those trends made farming less rewarding, just as high land values made the prospect of selling land for non-agricultural purposes more attractive.

To address these problems, Suffolk County gave farmers the opportunity to sell the right to develop their land—not to a developer, but to the county, which would extinguish that right forever. The process of designing the PDR program and winning political support for a \$21-million bond to fund it started in 1974. Funds were appropriated in 1976, and the first deals were closed in 1977.

Policymakers in Massachusetts and Maryland quickly recognized the potential of the Suffolk County program to address the loss of farmland in their states, and adopted their own programs just as Suffolk County officials were signing the first checks to farmers. Since 1977, 12 additional states and dozens of local jurisdictions have created similar programs or approved funding to compensate farmers for giving up the right to develop their land. [see Appendix A, p. 52]

These programs are known by many different names, for example, agricultural preservation restriction in Massachusetts, purchase of development rights in Suffolk County and Maryland, and purchase of agricultural conservation easements in California and Pennsylvania. The remainder of this report will use APR to refer to the Massachusetts program and PACE as the generic term referring to other programs that pay farmers to permanently restrict development of their land. The restrictions imposed by the Massachusetts program will be referred to as *aprs*.<sup>1</sup>

PACE programs are based on the concept that property owners have a bundle of different rights, including the right to use land, lease, sell and bequeath it, borrow money using it as security, construct buildings on it and mine it, or protect it from development, subject to reasonable local land use regulations. Some or all of these rights can be transferred or sold to another person. When a landowner sells property, generally all the rights are transferred to the buyer. PACE programs enable landowners to separate and sell their right to develop land from their other property rights. The agency or organization that acquires the restriction does not acquire the right to build anything on the land, but only the right and responsibility to prevent development.

## INTRODUCTION

State and local governments with PACE programs provide funds to compensate farmers for giving up the right to develop their land. Typically, a government agency pays farmers the difference between the restricted value of the land and the value of the land for its “highest and best” use, which is generally residential development. [For more information on PACE, see Appendix A, p. 52].

Easements usually are intended to last in perpetuity. Most PACE programs make provisions for termination of the restrictions if the land is no longer suitable for farming. Generally, the criteria for termination of easements are stringent and the process is lengthy, difficult and expensive.<sup>2</sup>

Each state has different criteria for eligibility to sell an easement. In Massachusetts, farms must be at least five acres in size. The land must have been “actively devoted” to agriculture or horticulture for at least two immediately preceding tax years and must provide at least \$500 in gross sales per year, plus \$5 for each additional acre or 50 cents per additional acre of woodland or wetland.<sup>3</sup> The APR program’s main criteria for selecting farms to protect are:

1. The suitability and productivity of the land for agricultural use based on its soil classification, physical features and location;
2. The degree of threat to the continuation of agriculture on the land due to circumstances such as the owner’s death, retirement, financial difficulties, development pressure or insecurity due to rental agreements;
3. The degree to which the land is of a size and composition to be economically viable for agricultural purposes and the likelihood that it will remain in agricultural use for the foreseeable future.<sup>4</sup>

APR program managers try to acquire contiguous parcels of land and farms in close proximity to each other to create large blocks of protected farmland. They consider the degree to which projects would accomplish environmental and cultural objectives, such as protection of water resources and flood plains and the preservation of historic and open space resources and scenic views. They also try to balance the costs and benefits of acquiring *aprs*.<sup>5</sup>

The law that created the APR program allows municipalities to co-hold restrictions with the Commonwealth. In deciding which properties to protect, the state considers the comments and recommendations of towns and the degree to which a town is willing to provide financial and legal assistance and participate in enforcing the restriction.<sup>6</sup> The APR program also works with land trusts and other nonprofit land conservation organizations. Land trusts promote the program to farmers and in some circumstances may “preacquire” a restriction and sell it to the state when purchase funds become available.

The APR program’s long track record makes Massachusetts a good place to study the effectiveness of PACE programs in general. A previous American Farmland Trust study found very high farmer satisfaction with the APR program. The fact that the state always has long waiting lists confirms this finding.<sup>7</sup> By the end of 1997, the program had protected more than 40,000 acres of land from conversion to non-farm uses—approximately 7.6 percent of the state’s land in farms, according to the 1992 Census. Yet, critics have charged that APR protects open space but does little to help the state’s agricultural economy. Others claim that protected farms are sitting idle or being used for non-agricultural

purposes. In 1997, American Farmland Trust teamed up with the Franklin and Deerfield land trusts to evaluate the impact of the program on participating farms.

### Purpose of this study

This study was designed to explore the impact of the APR program on participating farms. While legislators and the public generally appreciate the role of PACE in protecting open space, the research for this report was intended to investigate the agricultural, economic and environmental benefits provided by the APR program. Previously, evidence of those benefits has been largely anecdotal. American Farmland Trust, Franklin Land Trust and Deerfield Land Trust long have been aware of individual farmers who used the APR program to improve the performance of their operations, but lacked the data to determine whether these benefits were widespread.

The 20-year history of the Massachusetts program offered researchers the opportunity to explore both the initial advantages farmers received from selling *aprs* and continuing benefits of the program over the years. The study sponsors wanted to see if the proceeds from the sale of *aprs* were being reinvested in farms and how selling an *apr* affects subsequent owners of the land and land tenure patterns. They also hoped to document agricultural improvements on protected farms, changes in farm management practices and implementation of conservation measures.

Given the cost of the APR program, it is important that policymakers and the general public understand its value to participating farms. It is just as important for farmers themselves to see the benefits of selling restrictions and purchasing protected land. The case studies conducted for this report are designed to illustrate the benefits of participating in the APR program and inspire other farmers to protect their land.

### Study sponsors

American Farmland Trust is a private, nonprofit conservation organization dedicated to protecting the nation's strategic agricultural resources. Founded in 1980, AFT works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. Its activities include public education, technical assistance, policy research and development and direct land protection projects. AFT has had offices in Northampton, Mass., since 1987.

Franklin Land Trust is a private, nonprofit conservation organization dedicated to the preservation of farmland, open space and rural character in western Franklin County. Founded in 1987, FLT has protected more than 4,500 acres through the use of creative land protection and development strategies. The land trust often works in cooperation with the APR program to protect farms, and has sponsored independent efforts to promote local farm products. FLT also accepts donations of easements on farmland, and helps property owners protect land and natural resources through limited development projects and conservation estate planning.

Deerfield Land Trust was founded in 1990 to preserve the natural resources and character of the land within the town of Deerfield for agricultural, recreational, educational, historical and environmental purposes. DLT has protected more than 700 acres.

### Study region

AFT's Northampton office, FLT and DLT are all located in Massachusetts' Connecticut River Valley, a three-county region slightly west of the center of the state. The Valley encompasses the best farmland in Massachusetts. Hampden County, dominated by the city of Springfield, is mostly urban in character, but agriculture continues to be an important land use in Hampshire and Franklin counties, with farms accounting for 16 and 17 percent of the land base, respectively.<sup>8</sup> Farming also is important to the region's economy, generating more than \$73 million in annual sales.<sup>9</sup> According to the U.S. Department of Agriculture's Natural Resources Conservation Service, there are approximately 4,000 acres of prime and unique soils in the two counties.<sup>10</sup> The 1992 Census of Agriculture reported a total of 127,943 acres of land in farms in Hampshire and Franklin counties.

Farms in Hampshire and Franklin counties give the Valley its scenic character, which is valued by residents and appreciated by tourists. The region's agricultural land also provides good habitat for wildlife, and many farms contain important archaeological resources. But the Valley's scenic and rural character also is attractive to newcomers, and farmland in Franklin and Hampshire counties is at high risk for development. Between 1982 and 1992, approximately 17,000 acres in the two counties were developed. In Hampshire County, development increased by 19.6 percent, in Franklin County, by 34.2 percent.<sup>11</sup>

Over the past decade, there has been a remarkable consensus on the need to protect the Valley's natural, scenic, cultural and agricultural resources. Congress designated the entire Connecticut River watershed—from Vermont to Connecticut—as the Silvio O. Conte Wildlife Refuge. Since then, the U.S. Fish and Wildlife Service has been working with state and local governments and private organizations to develop strategies to protect the Valley's rare and endangered species, anadromous fisheries, wetlands and wildlife habitat. The Massachusetts Department of Environmental Management considers the Valley a "Distinctive Landscape," a designation reserved for just 4 percent of the Commonwealth's land base. The Nature Conservancy and the National Trust for Historic Preservation also have acknowledged the Valley's unique character and have targeted the region for protection. Including Franklin and Deerfield land trusts, at least 10 local land conservation organizations are active in the two counties.

Valley residents are concerned about loss of farmland and the future of agriculture in the region. In the early 1990s, a group of farmers, agricultural advocates, conservationists and other concerned citizens began meeting to discuss the challenges facing farmers in the area. In 1994, the group received a four-year grant from a special Kellogg Foundation program designed to help make farming communities agriculturally, environmentally and economically sustainable. After a process of defining the challenges facing Valley farmers, The Community Involved in Sustaining Agriculture Project formed eight action groups to address these issues. The action groups have sponsored workshops and training sessions on topics including agricultural marketing, agricultural financing and farm transfer, farm labor issues and innovative farming practices. CISA's Farmland Action Group provided funding for this study.



The Valley is also a priority area for the APR program. Thirty-nine percent of the 441 properties protected by the APR program are located in Hampshire and Franklin counties. The Commonwealth has purchased restrictions on 172 properties in the two counties, accounting for 12,929 acres of land—32 percent of the total land area protected by the APR program. The Commonwealth has spent \$26,901,425 to protect Franklin and Hampshire County farmland, at an average cost of \$2,081 per acre. The high concentration of APR farms in the region makes the Valley an ideal place to conduct a study of the program. Vegetable crops, hay and pasture are the most common uses of APR properties in the two counties. Approximately 20 percent of protected farms raise dairy cows.

## METHODOLOGY

### METHODOLOGY

This study was carried out in two phases. First, owners of 75 of the 172 APR properties in Franklin and Hampshire counties were randomly selected and surveyed by telephone. In the second phase of the study, a research assistant conducted in-person follow-up interviews with 35 of the farmers who were included in the telephone survey. From these 35 extended interviews, six farms were chosen as case studies.

Market Street Research, Inc., a Northampton-based opinion research firm, conducted the telephone survey. MSR developed a survey instrument in consultation with the study sponsors. The questionnaire was pilot-tested, revised, and approved by the sponsoring organizations. (A copy is included in Appendix B, p. 55).

Market Street Research selected a random sample of farmers from the complete list of APR program participants in Franklin and Hampshire counties. Their trained interviewers administered the questionnaire by telephone between March and April 1997. Interviews were conducted during two time periods: weekdays during standard business hours (9 a.m. to 5 p.m.) and on weekday and Sunday evenings (5:30 p.m. to 8:30 p.m.). Call-backs were arranged at other times when necessary. A total of 94 farmers were contacted to attain the sample size of 75, a response rate of 79.9 percent.

The results of the telephone surveys are accurate by a margin of plus or minus 5.1 to 6.8 percentage points. The margin of error varies depending on the sizes of the subgroups analyzed and on the percentage of respondents giving a particular response. *Responses to the telephone survey provided the statistical data used in this report.*

At the end of each telephone survey, the interviewer told the respondent that AFT, FLT and DLT would be “following up with some APR participants to better understand how the APR program has helped farmers.” Respondents were asked if they would be willing to be contacted. Of the 75 farmers surveyed, 58 (77 percent) agreed to participate in follow-up research.

From the pool of 58 willing farmers, the study sponsors ultimately selected 35 for personal interviews. The goal of the personal interviews was to obtain detailed information on the impact of the APR program from a representative sample of program participants. The 35 farmers chosen represent a variety of types of farming operations and land tenure arrangements. They reflect different types of participation in the APR program—some have sold an APR, some have purchased protected land, others have inherited land enrolled in the program—as well as different levels of satisfaction with the program.

AFT employed a research assistant to contact and interview farmers. Of the 47 farmers contacted, 35 were interviewed between July 10 and August 20, 1997. Only one farmer refused to take part in the follow-up research; others were unavailable or unreachable during the short time period available for interviews.

Interviews were scheduled at the convenience of the participants and were conducted on the participants’ farms. They were based on a guided format (see outline in Appendix C, p. 64), and lasted between 45 and 120 minutes. The order of questions asked varied between interviews but all applicable questions were asked at some point during each session.

A research assistant tape-recorded and transcribed all of the in-person interviews. Information collected during the interviews was not systematically quantified. The authors of this report used the transcriptions to illuminate trends and patterns found in the data collected during the telephone survey.

From the transcriptions, the study sponsors chose six farms as case studies for this report.<sup>12</sup> The case studies are not intended to be representative of the larger sample or of APR farms in general. Rather, they were chosen to illustrate the APR program's potential to facilitate positive changes in land tenure and farm management, development of farm-based businesses and implementation of environmentally sensitive farming practices. While the purpose of the study as a whole is to evaluate the impact of the APR program on participating farms, the goal of the case studies is to show other farmers that the APR program can be a powerful tool to keep agriculture viable.

## FINDINGS

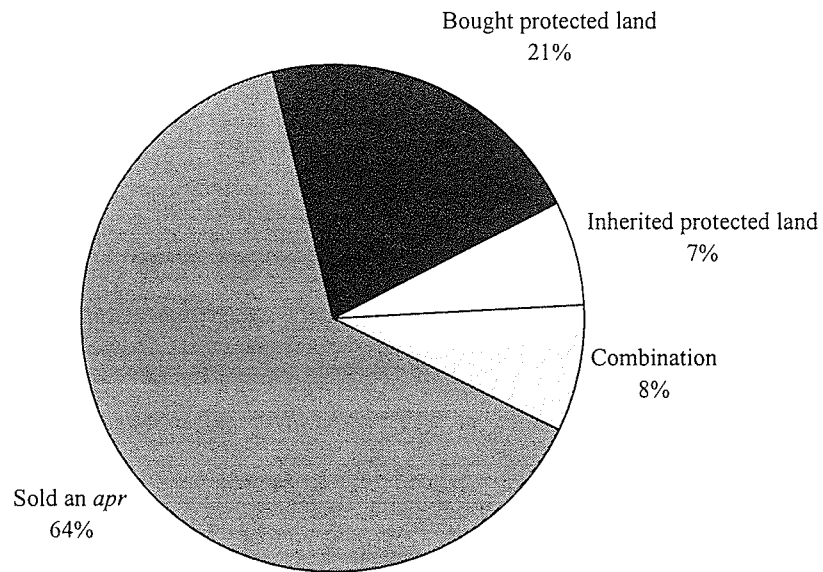
### Characteristics of farms and farmers studied

## FINDINGS

#### *Ownership of APR land*

Of the 75 farmers included in the telephone survey, 48 sold a restriction, 16 purchased APR land, six sold a restriction and either bought or inherited additional protected land, and five inherited land enrolled in the program (see Figure 1). Only one farmer in the sample sold APR land.

Figure 1: Ownership of protected land



*N* = 75

Twenty-four farmers who sold *aprs* were selected as part of the group of 35 farmers who were interviewed in person. This sample included 16 farmers who sold *aprs* and are still farming their protected land (six of these farmers have since purchased additional protected land), as well as eight farmers who sold *aprs* and now rent some or all of their land to other farmers. Of the remaining 11 farms in the group of 35, three farmers inherited APR land and eight purchased protected land. Of these eight, three farmers used the APR program as a tool to expand their already existing but unprotected farm, and five are beginning or young farmers who used the APR program as a means to buy their own land.

### *Location of farms*

The telephone survey included 39 farms in Hampshire County and 36 in Franklin County. The sample reflects the large number of protected farms located in the towns of Hadley and Amherst. These two towns alone account for 37.3 percent of farms in the sample; Sunderland and Whately represent an additional 18.7 percent. For a complete geographic distribution of farms in the sample, see Appendix D, p. 69.

### *Farm products*

The diversity of agriculture in the Valley is well represented in the variety of crops and livestock raised by respondents to the telephone survey. More than three-fifths (62.7 percent) of farmers reported using some of their protected land for vegetable production. Nearly 55 percent use some of their protected land for hay, 38.7 percent for dairy, 29.3 percent for forest products, 14.7 percent for small fruit, 9.3 percent for both beef and horses, and 8 percent for orchards (see Figure 12, page 45). More than 25 percent of farmers raise other crops or livestock on protected land, including nursery plants and flowers, silage, tobacco, maple syrup and sheep.

Of the 35 farms selected for in-person interviews, 14 are dairy/feed crop farms, 11 are vegetable farms, five are orchard or small fruit farms, and five are highly diversified cash crop/livestock farms.

### *Farm size*

The average size of farms included in the telephone survey is 201 acres; individual farms range from 10 acres to 2,600 acres. The 2,600-acre farm is nearly 350 percent larger than the next largest farm. If this farm is removed from the data, the average farm size for the survey sample is approximately 168 acres. The median farm size is 80 acres.

### *Demographics*

The median age of farmers interviewed at the time of the survey was 54 (the 1992 average for all farmers in Franklin and Hampshire counties was 53). The majority—73.3 percent—of farmers surveyed were men, but there were more women in the survey—26.7 percent—than would be predicted from the demographic data collected by the Census of Agriculture. In 1992, women owned only 12 percent of farms in Franklin and Hampshire counties. Seventy-six percent of the farmers in the survey are married or in domestic partnerships. In general, the farmers surveyed were well educated; more than 70 percent had at least some college-level education.

The median gross annual income from farming for survey participants was \$50,000. Farmers' median annual household income was \$35,814. Only 24 percent of the farmers surveyed had non-farm jobs.<sup>13</sup> Most of the farms in the survey provided work for at least two household members. Nearly 40 percent also employ non-household members, with those employing outside help having an average number of nine employees.

There are significant demographic differences between farmers who sold *aprs* and those that purchased or inherited protected land. Farmers who sold *aprs* are more likely to be women than farmers who acquired APR land through other means. Women represent 35.4 percent of farmers who sold *aprs*, compared to 26.7 percent of the sample as a whole. Women also make up 20 percent of farmers who inherited protected land, 12.5 percent of farmers who bought land and only 12 percent of Valley farmers in general. Some caution must be used in interpreting these differences as it is possible that some of the women who reported that they sold an *apr* are widows who owned land jointly with their husbands and define themselves as the sellers, or who inherited their protected land from their husbands.

Table 1: APR program demographics, Hampshire and Franklin counties

	Sold an <i>apr</i>	Purchased protected land	Inherited protected land
Percent women	35.4%	12.5%	20.0%
Median age	65.3	48.8	47
Percent widowed	16.7%	6.3%	0.0%
Median income	\$31,713	\$40,601	\$62,500

*N* = 75

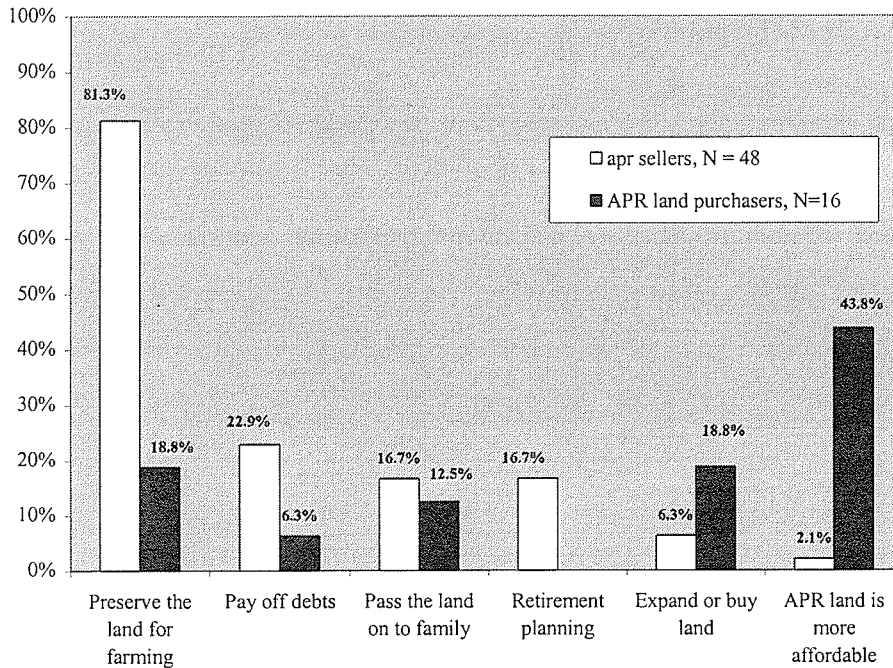
Farmers who sold restrictions are much older than those who bought or inherited protected land. The median age of the sellers at the time of the survey was 65, while the median age of farmers who bought or inherited APR land was only 48. Sellers also are more likely to be widowed, and are much less affluent than other farmers.

The median annual household income for farmers who sold *aprs* was \$31,713, compared to \$40,601 for farmers who bought protected land and \$62,500 for farmers who inherited APR land. The difference in income specifically from agriculture is even more striking. The median annual gross income from farming for respondents who sold *aprs* was approximately \$8,750; 43.7 percent of those farmers earned less than \$10,000 per year from agriculture. In contrast, the median annual gross income from farming for respondents who bought or inherited protected land was more than \$70,000; 72.2 percent of those farmers earned more than \$50,000 per year from their farms. Seventy-five percent of these farms employ at least two household members, and 50 percent hire additional non-household employees. In contrast, nearly 50 percent of farms owned by farmers who sold *aprs* employ one or fewer household members, and only 25 percent of these farms employ outside labor.

### Motivations for participation in the APR program

Farmers who participated in the telephone survey were asked: “What factors were most important to you in your original decision to participate in the APR program?” Motivations varied between respondents who sold *aprs* and those who purchased protected land. Responses are summarized in Figure 2.

Figure 2: Motivations for participation in the APR program



The desire to protect land for farming was cited by 81.3 percent of farmers who placed restrictions on their farms. Many of those farmers expressed strong feelings about the land during the in-person interviews. One dairy farmer nearing retirement reflected: “I don't want to see any building going up on [my land]. I farmed it my whole life, my father has, my grandfather has, we've been here since 1909, and I hope my boys will continue on until they retire. We're happy with what we got, glad we're protected... it just makes me happy that the land is going to be there, hopefully forever...they don't make [land] anymore. And it is very hard to find an area that is so productive, no matter what you grow.”

Another dairy farmer looked back on the long history of his land and remarked that “there has been too much labor into it in the last 200 years to...see it go the other way.” A vegetable grower who owns a large tract commented: “There aren't many places left like this when it comes to size, and the setup is special...APR goes along with how we feel about agricultural land in New England. It's precious, and it's important to maintain as much of it as possible.”

Paying off debts and mortgages and buying rented land also were important motivations for *apr* sellers. One apple orchard owner sold an *apr* “to stay in business, because we had two or three hail storms in that period and lost three crops in a row. We went from practically no debt to major debt because of the crop loss, so [the APR program] helped us get back on our feet.” Another apple grower voiced similar thoughts. “The interest I was paying on that huge mortgage...would have eaten the place up so I wouldn't own it to-day,” he reflected. “I own it because of APR.”

Another farmer became indebted due to the long illness of his wife. He sold an *apr* to pay the medical bills left behind after her death, as well as to give tribute to their mutual love of the land and desire to keep it farmed.

Other farmers used the sale of an *apr* to facilitate transfer of their land and operation to family members. Without APR, the struggle for assets after a death in the family can lead to division or sale of the farm. During the in-person interviews, one farmer described the acrimony over how to divide a relative's estate. One child wanted to farm, the other wanted to sell the land for cash, and the dispute almost resulted in the loss of a farm that had been in the family for more than 250 years. The APR program helped the family meet the needs of both children.



## Matuszko Family Farm Hadley



When Edwin Matuszko's grandfather purchased the family's 37-acre farm a few miles east of the Connecticut River more than 80 years ago, he could not have imagined the transformations that would take place on the land in the latter half of the century. Strip malls, shopping centers and suburban housing all have converged on the fertile fields of Hadley. Although harvests of vegetables and broadleaf tobacco from the sandy loam soils rival or surpass crop yields in most of the nation, the land is even more valuable for development.

Edwin's father continued farming when his father retired after World War II. Edwin and his four siblings grew up on the land, but they all left the farm to pursue other careers. For a time, it seemed as though the Matuszko's relationship with the land might end. Edwin's parents did not want to see the farm carved up into building lots, but they were afraid that this was their only option.

The situation changed when Edwin grew tired of working in the plastics industry and he and his wife Linda decided to move back to the farm. The older Matuszkos were enthusiastic about keeping the farm in the family, but they weren't sure how they could transfer the land to Edwin and Linda and still divide the estate fairly among all their children. Edwin's brother had worked for the APR program, and several neighboring farmers had enrolled in the program, and they encouraged the Matuszkos to investigate the possibility of selling an *apr*.

Edwin's parents contacted APR program staff to see if selling a restriction could help them achieve their goal of transferring the farm while providing an equal inheritance for all five children. Edwin explains that his parents were first-generation Americans, and giving up the property value that they had worked so hard to build was "a big thing to overcome." They also were concerned that the state would intervene in day-to-day operations on the farm. They quelled these concerns by speaking with other APR farmers. They also concluded that the program offered Edwin and Linda their only chance to own the farm.

Sadly, Edwin's father passed away before sale of the *apr* was finalized in 1989. But his planning paid off when the proceeds of the sale were used to settle his estate among his wife and children without selling a single lot for development. In 1993, Edwin and Linda purchased the farm from Edwin's mother. This would have been impossible, says Edwin, if the value of the farm had not been reduced by the *apr*. "Everyone seems satisfied," he reflects on the process. "It relieved a lot of pressure."

Edwin and Linda see the restriction on their land as an added incentive for good stewardship and careful farm management. "We can't just lop off a building lot and sell it to get an influx of money," Edwin explains. "That choice is gone, and it pushes us to do the best we can." The Matuszkos have a reputation for innovation. They were founding members of the Pioneer Valley Growers' Cooperative, and continue to market their diverse harvest of vegetables through this outlet. According to Edwin, membership in the Coop has increased his awareness of market trends in produce, allowing him to tailor crops carefully to local demands. A recent experiment with eggplant proved especially successful.

The Matuszkos' commitment to succeed at farming has brought about other changes in their operation. Edwin and Linda remodeled a barn that they now use for packaging. They purchased a new tractor, a refrigerated truck and a set of cultivators. They also enrolled in the Massachusetts Partners with Nature integrated pest management pilot project in the early 1990s. While scouting for vegetable pests is "sometimes a pain," says Edwin, he has found it to be "suprisingly cheaper" than spraying. And Edwin and Linda have plenty of plans for the future. They want to install subsurface drains and underground irrigation. Edwin thinks that he can even use his protected farm as a marketing strategy. "Peppers from APR land!" he proclaims, smiling.

The Matuszkos believe that protecting the rich farmland of the Connecticut River Valley is a part of a long-sighted planning process. They consider themselves fortunate to be farming with "a rather large conglomeration of APR land in the immediate area." According to the Massachusetts Department of Food and Agriculture, the APR program has protected 22 properties—a total of approximately 1,000 acres—within a two-mile radius of the Matuszkos' farm. Edwin sees the block of protected land as a welcome "continuation of what it has been for the last few hundred years." By protecting the farm and keeping it in the family, Edwin and Linda believe they are creating opportunities for their young son and others in generations to come. Although Edwin's grandfather could not have known what the future would bring, his good stewardship of the land made it possible for his grandson to be a farmer. Edwin and Linda want to pass along the same privilege to their own grandchildren.

During the in-person interviews, farmers also mentioned motivations for selling *aprs* that did not emerge during the telephone surveys. Some saw participation in the program as a strategy to insulate themselves from the encroachment of non-farm development that could lead to complaints about their farming practices in the future. "If farmers were looked at in a different light, not as waking people in the wee hours, creating noise, driving slow, clunky tractors on the road ...we wouldn't need APR," remarked a farmer located in a suburban area.

A few farmers viewed selling an *apr* as an investment in future food production capacity. One couple noted that farms in New England are shrinking all the time and that it is important to maintain as much agricultural land in the region as possible. They are concerned that New England does not produce enough food for its population. A vegetable grower remarked "It is this soil that can grow 1,000 bushels of peppers...The real salvation of our society will be land like this."

Among survey respondents who purchased protected farms, the affordability of the land was the most often-cited reason for participation in the program, mentioned by 43.8 percent of farmers in this category.



**Duffy Family Farm  
Amherst**

Paul Duffy did not grow up on a farm, but he knew he wanted to be a farmer from early childhood. He started working on a horse farm, haying and showing horses, before his 10th birthday. While many teenage boys may spend their free time working on cars, Paul was more interested in livestock. He helped raise beef cattle through high school on another farm in his home town. He earned his degree in animal agriculture, and worked as farm manager for Hampshire College for nearly five years. After leaving Hampshire, Paul moved to central Massachusetts to manage a farm for the non-profit Heifer Project International, a world hunger relief organization.

In 1982, Paul started raising his own herd of purebred Holstein cattle as a step toward building his own farm. In 1990, he and his wife, Anne, began looking for land. Paul was very familiar with *aprs*—he was involved in applying to the program for both Hampshire and the Heifer Project—and he knew that the program could help make his dream of purchasing a farm a reality. “We specifically searched out a piece of APR property,” says Paul. “It was one of the most important criteria.”

The Duffys found what they were looking for in a protected farm in Amherst in 1996. The *apr* had just been sold, Paul relates, and the land “was being marketed on its agricultural attributes and not its development potential.” The farm had not been worked in 40 years and was “slightly run-down,” says Paul, but this also made it more affordable. Like most farmers, Paul speaks of his land with pride. “It was...the most holistic resource,” he explains. “It’s got an excellent water resource, woodlot land, open land—and the open land is for all practical purposes Class I: It’s flat, it’s got no stones. It’s an exceptional piece of Connecticut River Valley farmland.”

Paul sees the APR program as an excellent tool for young farmers. “It was our ticket to enable us and empower us to...[own] a resource that we could potentially make a go of,” he states enthusiastically. “If we would have had to buy it for [full market value], it would not have been manageable for us.” The Duffys also believe that purchasing protected land has enhanced their opportunity to diversify, giving them the ability to be creative without as much financial strain as they would have if they were facing development pressure.

Paul is full of ideas to make the farm profitable. His main business is cattle genetics. He uses a technique known as super ovulation and embryo transfer. Frozen purebred embryos are exported or implanted in surrogate mothers. The Duffys currently own 30 head of cattle. Fourteen cows are housed on their 38-acre parcel, the remainder are boarded with local dairy farmers. This year, Paul cut hay and raised three acres of pumpkins to test the viability of marketing vegetable crops directly from the farm.

Paul and Anne also have other businesses to supplement their income until the farm can support them. Paul is an agricultural jack-of-all trades, doing a little farm brokerage work, some contract work for other farms, restoring barns and operating his own World Wide Web site dealing with agricultural trade issues. Anne is a professional photographer. "If we had our druthers, we'd be working exclusively on the farm," Paul explains, "but we're not there yet. We've not yet been here a year and this farm hasn't been farmed in 40 years, so it's tons of work."

Fortunately, the Duffys enjoy the labor of bringing their farm back to life. Their long-term goal is to purchase additional protected land, bring more cows home and expand the operation. Through increased growth and diversification of their cattle and vegetable operations, the Duffys hope to build a successful farm business based on hard work and agricultural science.

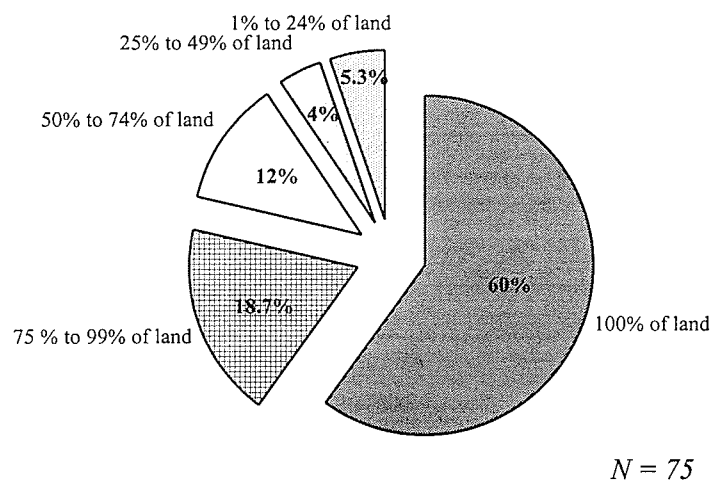
Several farmers used the APR program as a strategy to make the purchase of additional land more affordable. "On all the land we have in APR, [selling the *apr* has] been the leverage that has allowed us to purchase it," says one of the Valley's most successful farmers. "Land comes up for sale at certain times and it's never at your best economic place, but farmland is only transferred once a generation and if you are using a piece of ground integral to your operation, and it is for sale, and the price is reasonable, then you can make that decision." Another farmer reflected that a buyer's interest in protecting farmland can facilitate the sale. "It does help the sale a lot," he believes. "Especially if you are selling farmer to farmer, people will generally sell for less. It's comforting for the person selling the land to have that restriction in place. That helped me in my purchase, as far as the person not demanding the same price as they would from a developer."

*"I couldn't have afforded the land without [APR]. There was no way to justify paying full price of land to grow strawberries on it."*

### Farming activity on protected land

Sixty percent of the survey respondents indicated that all of their protected land is being farmed and another 30.7 percent said more than half, but not all of their land is used for agriculture. Fewer than 10 percent of farmers said that less than half of their land is being farmed (see Figure 3).

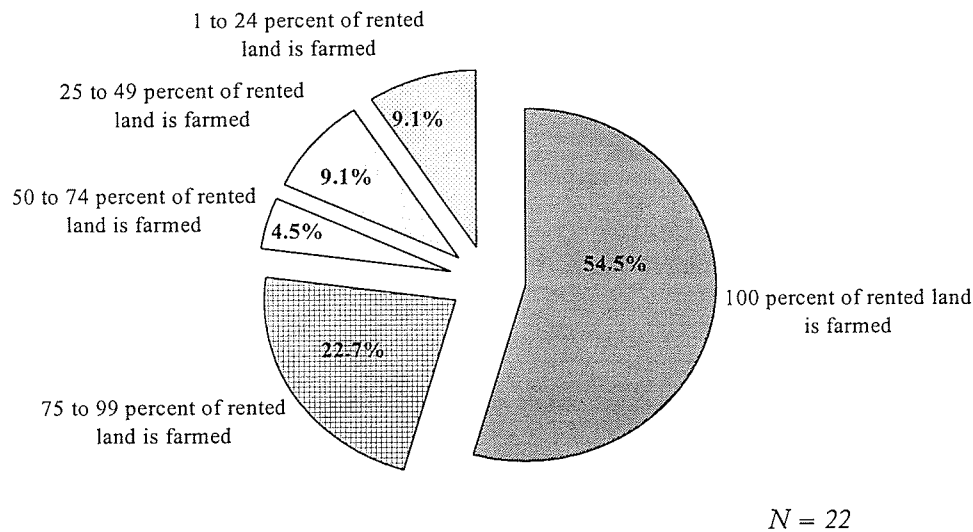
Figure 3: Proportion of protected land used for agriculture



When asked specifically about the non-agricultural uses of their protected land, six out of seven farmers characterized this land as fallow plains, forest or swampland. “It’s a swampy area, we don’t use it at all,” explained one farmer. Another remarked that the land at issue “is just woods, it really isn’t being used.” A seventh farmer explained that his non-agricultural land is his house lot.

There is also evidence that the APR program is helping to bring idle land back into production. After one farmer bought and protected the farm he had been renting, he and his family “spent a good part of the fall and winter months going around the edges of the fields and cutting back from five to 20 feet because over the years they had grown in.” Now, the family is removing stumps and cutting timber from other sections of the property. Yet another farmer bought a 10-acre parcel of land, protected it, and cleared sections that had grown in to woods.

Figure 4: What percentage of the protected land that you rent to others is used for agricultural purposes?



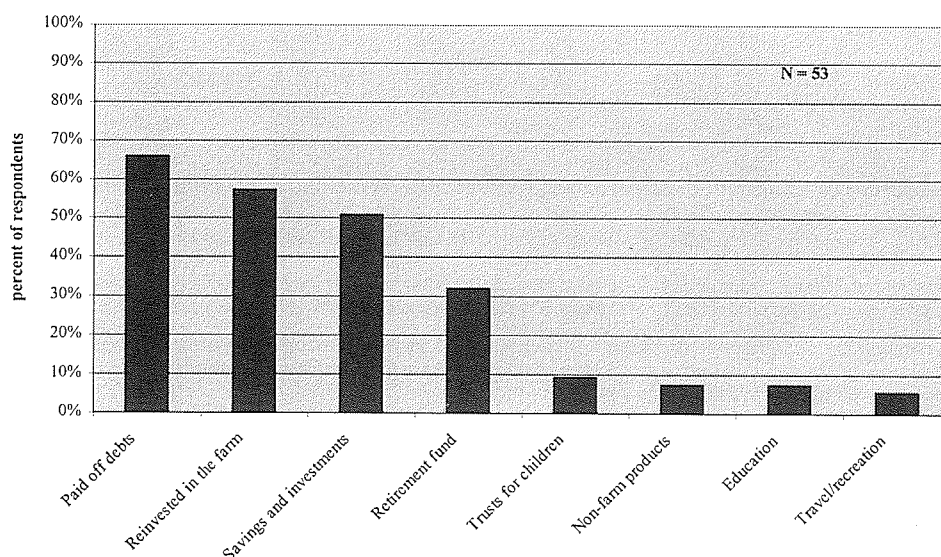
Approximately 35 percent of the farmers who sold restrictions are now renting at least some of their protected land to other farmers. Telephone survey responses indicate that most of this land is being used for agricultural purposes (see Figure 4). During the in-person interviews, most farmers who rented land explained that all tillable land and pasture were being used for agricultural purposes.

None of the farmers contacted for this study reported any difficulty finding tenants to lease protected land. During the in-person interviews, several farmers commented on the strong demand for farmland. One Hadley farmer who sold an *apr* commented that "...locally it's no problem to rent the land...it's all very good land and much in demand." An older couple who are currently renting most of their land to neighboring dairy farmers voiced their satisfaction with this arrangement. "Even if there is never another cow milked here," they reflected, "the local farmers...will use [the land]." Another older farmer sold his dairy herd last year and is now renting the land to a younger farmer for pasture. The owner is happy to give a young person a chance to get on the land. The rent pays for the taxes and insurance, and proceeds from the *apr* allowed the farmer to pay off debt and keep the land in the family. He is hoping that his son, who commutes from his job in Boston several days a week to help with mowing and haying, will eventually move back home and take over the farm.

### Uses of income from the sales of *aprs*

During the telephone survey, farmers were asked how they used the proceeds from sales of *aprs*. Responses are shown in Figure 5.

Figure 5: Uses of income from the sales of *aprs*



Interviewers also asked farmers “what was the primary use of the funds?” Payment of mortgages, taxes and debts was the most common response, accounting for approximately 47 percent of the farmers who answered this question.

During the in-person interviews, many older farmers explained that the proceeds from selling an *apr* were the key factor that allowed them to retire without selling their land. “We...needed something to help us out with things the way [they] were,” reflected an older couple. “It was either that or sell.” The couple, who are now renting their land to other farmers, hope that eventually one of their grandchildren will take an interest in running the farm. In several cases, sale of an *apr* prevented families from having to sell building lots to pay estate taxes after a parent or sibling passed away. “Our father died, and...we had a tremendous amount of debt to clear,” remembers one farmer. “We were running out of time, and we knew [the] APR [program] was interested in parcels.”

For many farmers, reinvestment of the proceeds from selling an *apr* has been critical to the survival of their businesses. One dairy farmer used part of his APR check to pay off his mortgage and put a little away for retirement, then spent the rest on a modern milking parlor. The new facility “has kept me going,” he explains. Six farmers reported that they used most of the money from the sale of an *apr* to buy more land.



## Beauchesne Family Farm Montague



Tom Beauchesne's earliest memories are of growing up on his father's farm in Montague, less than five miles from where he now raises hay, beef, vegetables and flowers on his own land with his wife and sons. While the distance between the two farms is short, it took the Beauchesnes decades of hard work, careful planning, and the help of the APR program to make the journey.

The farm that Tom remembers from childhood was divided and sold many years ago. Tom knew that he wanted to own his own farm more than 20 years ago, but he quickly found that farms "were too expensive...for somebody who didn't inherit one." Still, Tom and his new wife, Jackie, started planning for the farm they hoped to own some day. While working at the University of Massachusetts and building houses on the side, Tom started to set aside money for land and equipment, confidently telling himself that someday he was going to be a farmer. The Beauchesne's nest egg grew slowly as they raised two sons and Tom started a business growing hay. They started to buy small parcels of land. The family moved a few times, each time to a slightly larger property: from four acres to nine, and then to 23. Tom and Jackie rented additional land as the hay business grew and the boys took an interest in farming.

Tom explains that he has taken advantage of a niche market for equine hay. Horse owners, he says, are willing to pay top dollar for good hay, and over the past 20 years, the Beauchesnes have established a reputation as high-quality growers. "My hay is sold before it is cut, each year," Tom says proudly. When he's not working on his own farm, Tom tends the greenhouses at the university and teaches classes on the floriculture industry. Over the years, he and Jackie have raised cut flowers and mums, which they have sold at roadside stands. The family also has a herd of Angus cattle that they raise organically.

As Tom and Jackie expanded and diversified their farming activities, they continued to look for a larger farm. Their goal was to acquire enough high-quality land to allow them to leave their other jobs and sustain themselves entirely on their income from agriculture. They also wanted a farm large enough to support one or both of their sons. By

the 1990s, the Beauchesnes were renting a 100-acre parcel of land from a farmer in Montague. While mowing those fields on fall days, Tom continually asked himself, "What is going to happen to this farm?" His concerns got more serious when the landowner became ill. "What a beautiful place," Tom thought, "and what a shame if it goes to house lots."

Tom told the owners that he would be interested in purchasing their farm if they were ever willing to sell it. At the same time, he contacted staff at the APR program, explained his situation, and asked: "Would you be willing to help me if something came up?" With the landowner's consent, Tom invited the APR staff to visit the farm.

Tom's planning turned out to be critical to saving the farm. During the last months of his life, the old landowner expressed his desire to keep the land in farming, and asked his wife to give the Beauchesnes the opportunity to purchase the farm before she made any other arrangements. When he passed away, his widow gave Tom and Jackie three months to decide whether they wanted the land. Because the APR staff knew the property and had already determined that it was worth protecting, the state was able to make an offer quickly.

With help from Franklin Land Trust Director Mark Zenick, the Beauchesnes negotiated a series of complex agreements to acquire the farm. To sweeten the deal for the Commonwealth and the town, they agreed to sell restrictions on both the new farm and their 23-acre home farm a few miles away. The town, says Tom, was particularly anxious to see both properties protected. "We have people that walk or bike this road from downtown all the time, and they say it is one of the prettier areas. They were really concerned with what was going to happen with it, so they bent over backwards to help me," he remembers. The farm is also in the area targeted for protection as part of the Silvio O. Conte National Wildlife Refuge, notes Tom, which increased the town's desire to protect the land. The Beauchesnes' other parcel of land sits over the town's water supply, and development could have caused problems. The town of Montague contributed to the cost of purchasing the restrictions.

The Beauchesnes divided the land on their home farm from the house and barns. They sold an *apr* on the land, and the remainder of the property to a buyer who agreed to give them a seven-year lease on the barns. This was important, Tom explains, because after buying the new farm, they wouldn't have the cash to build a barn on it immediately. Tom and Jackie kept the land from their old farm, but wanted to move to the farmhouse on the new land. To make this work for the widow, Tom built her a new house next door. The deal was closed in 1995.

Tom now sees the process of protecting the two farms as a pivotal moment for his family. "I think it forces people to make sure it is really what they want," he reflects. "...[I]t forced me to sit down with my family and find out what they wanted to do." One exciting result of the discussions was that Tom and Jackie's older son decided to come back and work on the farm after his graduation from the Stockbridge School of Agriculture at the University of Massachusetts.

Based on their son's decision, Tom and Jackie developed a long-term plan to build up their operation to the point where it can support three people. Elements of that plan include clearing more land, re-seeding hayfields, repairing an old barn and building a new one to store hay through the winter, establishing a nursery and a cut-flower business,

expanding the beef herd and retailing vegetables from a roadside stand. Owning the new farm has given the Beauchesnes the security to be innovative and to make long-term investments in the land. "I know that it's there and that nothing's going to happen to it now," says Tom with confidence. Eventually, he hopes to buy more land in the area. "What I don't use, my son will," he predicts.

Tom has nothing but good words for the APR program. "[It's] the greatest thing for a young person...or someone like myself, not inheriting the farm or not buying it from a relative where it was really cheap. I wouldn't have purchased the place if I had to have a mortgage as big as it would have taken without the APR people. I didn't want to jeopardize my family."

The Beauchesnes are very grateful for the support they received from both the state and the local community. "I didn't know...that so many people cared about what happened to the property until I went to the meetings and heard what people had to say," Tom remembers. "It was nice to hear that." Now, he feels that he has a responsibility to the town and the state to make his farm successful. "I...always want to be known as a success of the program," he explains. "I always feel an obligation...to make sure it stays a working farm."

#### Changes in farming operations since the sale of *aprs* or the purchase of protected land

Telephone interviewers asked farmers whether they had made any changes on their farms since they sold an APR or purchased protected land. Nearly 75 percent of respondents had made at least one change (see Table 2 for responses). The most commonly cited change was improvements in farm buildings, mentioned by 60 percent of respondents. Several farmers described repairs that they had made to their barns since selling *aprs*.

Table 2: Changes in farms since participation in the APR program

Improved existing buildings	60.0%
Established conservation practices	46.7%
Bought new farm equipment	37.3%
Increased tillable acreage	30.7%
Hired farm employees	30.7%
Established new farm management practices	28.0%
Changed product mix	26.7%
Established other farm practices	25.3%
Bought new farm management equipment	25.3%
Developed new products	20.0%
Developed new marketing techniques	20.0%
Opened or expanded a retail outlet	20.0%
Bought more livestock	17.3%
Bought more land	14.7%
Transferred ownership of operation	14.7%
Bought new farm buildings	10.7%
Made other changes	5.3%

Nearly 47 percent of farmers surveyed established conservation practices on their land since they became involved with the APR program. Some of the improvements mentioned in the personal interviews were drip irrigation, no-till planting, crop rotations, better drainage and stream bank restoration.

The purchase of new farm machinery was mentioned by more than 37 percent of respondents. Several families bought new tractors. One farmer purchased a refrigerated truck for his produce business. The acquisition of farm management technology such as fax machines, computers and computer software was mentioned by approximately 25 percent of farmers.

Approximately 30 percent of the 75 farmers surveyed have increased their tillable acreage since they sold an *apr* or acquired their first parcel of protected land and 11 have purchased additional land. A dairy farmer commented that the APR program allowed his family to increase “the tillable acreage we have so we’re able to produce more feed. And that’s why we’re able to milk 100 cows.”

Twenty-one farmers reported that they have changed their farm management practices. During the in-person interviews, it became clear, for example, that at least two farmers purchased farmland, protected it, and then converted to organic production.

Another family used the proceeds from selling an *apr* on land that they owned to fund a conversion from conventional to organic crop production. In Massachusetts, converting to certified organic production involves a three-year transitional stage that can be very difficult financially. Farmers generally have to invest in new equipment, hire more labor and learn new techniques. During the conversion process, crop yields are lower as the agroecosystem adjusts to new pest control and nutrient management practices. Produce cannot be labeled as organic until the process is complete, and it may take additional time to establish markets, so farmers may not see a return on their investment for five years.

Farmers also have made changes in their mixes of products and marketing strategies since participating in the APR program. Twenty farmers reported changing their product mixes, 15 developed new products, 15 adopted new marketing techniques, and 15 opened or expanded a retail outlet. Twenty-three farmers have hired additional employees. One orchard owner sold an APR, paid off his debts and used the remainder of his money to plant new crops, including peaches and berries. He also expanded his retail operation to include a bakery and snack bar. A vegetable grower built a large, enclosed retail structure with an ice cream shop to replace his small roadside stand. He then hired more help for the retail business.

Eleven farmers reported that the ownership or operation of the farm has been transferred to a family member since they participated in the APR program.

Telephone interviewers asked farmers to identify the most successful changes in their operations. Nearly a third (31.3 percent) mentioned new or improved equipment that made work easier and increased profits. A family dairy farm made changes to a manure storage system, renovated their milking parlor and upgraded their heifer facility. These changes increased the efficiency of the operation. “We couldn’t have done it without it [the APR program],” a family member commented. Another family set aside money for equipment that will let them clear more cropland.

## Williams Family Farm Hatfield



For the Williams family of Hatfield, farming is more than a way to make a living—it is a 300-hundred year-old institution. Mary and Gordon Williams' 175-acre farm dates back to the 1690s, when the colonial Governor Bradford deeded the land to Mary Belden Williams' ancestors. Since then, at least 10 generations have carefully maintained the productivity of the land and passed it on to their children. Over the centuries, the rich river valley soil has enabled the family to grow a wide variety of crops, including vegetables and potatoes, hay and feed corn. Beef cattle and sheep have grazed the land in the past. Since the 1960s, the family has devoted most of its efforts to a dairy operation.

Mary's parents set up the farm as a family-held corporation. Mary and Gordon received stock from the Beldens over their time on the farm, and then shared ownership with their children, who lived off the farm. For many years, it was not clear if any of the children were interested in farming. Then, in the 1980s, their son, Darryl, decided to leave teaching and come back to the farm full time.

Gordon found out about the APR program through his involvement in Farm Bureau and the Hampshire County Conservation District. The family applied to the program to help them achieve several goals. "The land was a gift to me, and I always felt I had no right to derive a profit by selling pieces of it off for development," explains Gordon.

The Williamses also used the program to help transfer their land and operation to Darryl and his wife, Lucinda. Mary and Gordon used some of the cash from the sale of the *apr* to buy shares of the corporation from the family members who were not interested in farming. Consolidating the stock and restricting use of the land eliminated the temptation to sell a building lot to help out a relative who might need cash or a place to live, or to improve the corporation's year-end financial statement. The change in farm structure made it much easier for Mary and Gordon to make decisions and plan for the future.

Finally, the APR funds helped the family make some important investments in the farm. One improvement was the installation of a new manure storage system. Previously, the farm had a small storage facility that had to be emptied every two months. This was a problem in winter when the ground is frozen and in summer when all the cropland is in use. The new system can store six months of waste. This allows Gordon and Darryl to spread the manure in spring and fall for maximum benefit to their crops and minimum impact on local water and air quality. The investment has proved to be profitable as well as good for the land: The family is saving \$3,000 to \$4,000 per year on fertilizer.

Other investments in the farm included improvements to a milking parlor, renovations to the barn to keep the cows cool in the summer and an upgraded heifer facility. These changes increased animal comfort, decreased the labor needed to run the operation and improved efficiency. The family now raises all of their own replacement cows and produces a surplus of silage that they sell to other farmers.

Darryl credits the APR program with “pushing us into the 20th century and keeping us viable.” Without APR, the family feels that they would have had to make big sacrifices. They would be much farther behind in their debts, explains Gordon, and they would not have been able to improve their facilities.

The Williamses are not shy about advising other farmers to participate in the APR program. They have seen neighbors who have sold their land for development and have been very disappointed in the end. “You think you’re going to make big money,” Gordon warns, “but it’s shortsighted to sell it off...once you sell the land it is gone—you’ll never get it back.” He feels very fortunate to have had the opportunity to protect the land. “We’re lucky to have the next generation,” he explains. “We have every intention of keeping it [the land] in the family as long as they can keep farming viable, here and in this Valley,” adds Darryl.

Darryl and Gordon still worry about milk prices and the low return from dairy farming. But the long history of their farm and the productivity of the soil suggest that many other agricultural uses of the land are possible if the milk business goes sour. The Williams’ decision to protect the farm has insured that future generations will have the opportunity to make a living from the land that has sustained the family for more than three centuries.

Improving or restructuring the use of farm buildings was cited by 31.3 percent of farmers as the most successful change made to their operations since participation in the APR program. Farmers believe that these improvements have increased both the value and utility of the buildings.

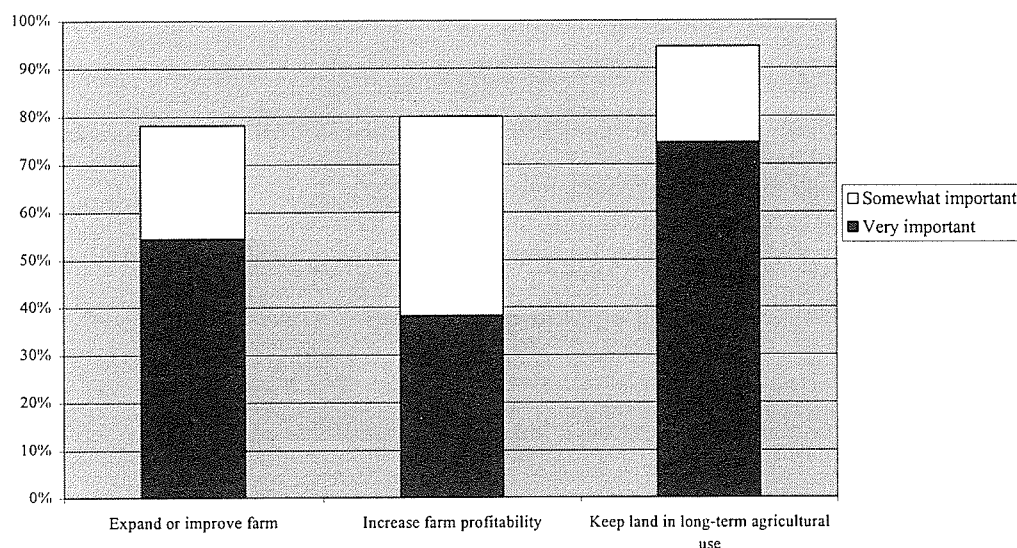
Approximately 27 percent of the 55 farmers who made changes considered purchasing livestock, buying more land or increasing tillable acreage to be their most important investment. One family purchased land that they had been renting from a distant relative. The land was an important part of the operation, it had been in the family for more than 100 years, and it was already protected by an APR, which made it affordable. A small-fruit grower explained that acquiring additional land facilitated crop rotations.

Four farmers cited conversion to organic production or implementation of conservation practices as the most successful change made since participation in APR. Debt reduction and expansion into retail marketing were each mentioned by three farmers.

### Role of the APR program in supporting improvements in farming operations

The fact that 73 percent of the farmers surveyed made changes in their farming operations since the land was protected is not necessarily remarkable—most farmers make changes in their operations over time. To determine what role the APR program has played in supporting improvements in farming operations, interviewers asked the 55 farmers who reported making changes in their operations how important APR funds or savings on the purchase of protected land were in their ability to expand or improve their farms. More than 78 percent of these farmers said that the program was either “very important” (54.5 percent) or “somewhat important” (23.6 percent) to their ability to enhance their operations. Eighty percent of the same group believed that the improvements they made were important to increasing farm profitability.

Figure 6: How important was the APR program in your ability to:



Farmers who made changes in operation since participating in the APR program,  $N = 55$

During the personal interviews, many farmers reflected that the APR program gave them greater security to make investments and take risks. This was particularly true of farmers who purchased land they had previously been renting. “Knowing that we had that land, I was willing to make equipment investments that I would not have felt good about otherwise,” said one farmer who purchased a rented field and protected it. “Knowing that you own the land, versus renting it, makes you willing to put more at stake.” A vegetable farmer agreed. “Owning the land is a lot more conducive to making a decision to improve the farm,” he explained.

The knowledge that their land will not be developed in the future is important to many farmers considering changes in their operations. “We’re planning on making some [changes] and the APR program will definitely be a factor in that—by knowing the land will be preserved,” said a diversified crop and livestock farmer in Amherst. Another farmer explained that the APR program “has taken the option of development away. And that has always in the past been high up in your mind of what any changes would do to the development potential of the land. Your changes are all made with agriculture in mind, you can just ignore development potential.”

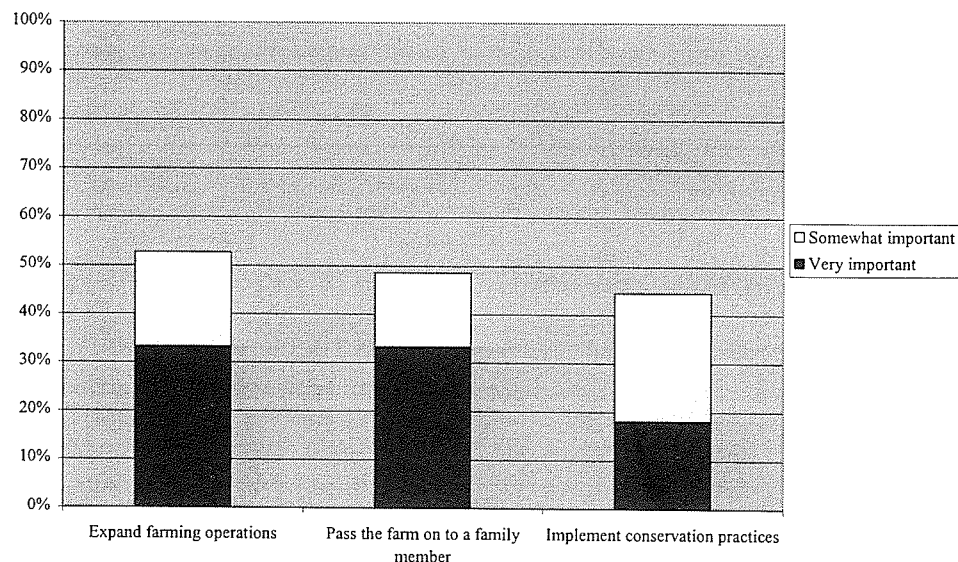
The overwhelming majority—94.5 percent—of farmers who made changes in their operations since participating in the APR program believe that these changes will help keep the land in agriculture (see Figure 6). Fifty-two of the 55 farmers in this group responded that their changes were either “very important” (74.5 percent) or “somewhat important” (20 percent) to the long-term viability of using the land for agricultural purposes.

Telephone interviewers also asked all 75 farmers in the sample to evaluate the importance of proceeds from the sale of an APR or savings from buying restricted land to their ability to:

- expand farming operations
- hire employees
- purchase supplies and products from local vendors
- implement conservation practices; or
- pass the farm on to a family member.

More than 50 percent of respondents believed that the program was important to their ability to expand farming operations, and nearly half said that APR had or would help them pass their farm on to a family member. (see Figure 7).

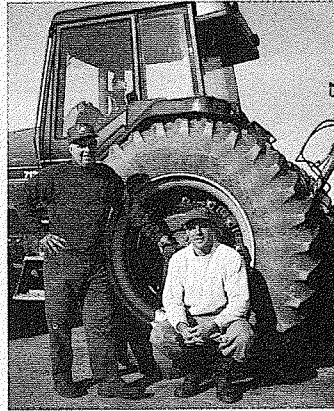
**Figure 7: How important was the APR program in your ability to:**



*All farmers, N = 72*



## Melnik Family Farm Deerfield



In the 1970s, brucellosis wiped out Stephen and William Melnik's entire herd of nearly 400 cows. Dairy farming is a difficult business in the best of circumstances, and many farmers who lost their herd would have given up, sold some land and tried a new occupation. But the Melniks have been farming for a long time and have learned how to deal with setbacks and obstacles. Stephen and William inherited their farm from their parents, who took over the farm from their parents. After the epidemic, the brothers just bought more cows and started over again.

The Melnik family farm in Deerfield was founded in the 1920s as a small dairy and vegetable farm. Now, Stephen says, the farm is one of the larger dairies in the state with 220 milking cows, despite the fact that the operation is much smaller than it was in the 1970s. The Melniks grow pumpkin and squash as a sideline to the dairy business and do some custom work for other farmers.

When Stephen's sons, Peter and Mark, decided that they were committed to staying on the farm, the family faced the challenge of building an operation that could support the fourth generation of Melniks. "We've gone from grandfather to the brothers to four families supported by the farm," reflects Peter. "To keep up with the cost of living, you have to increase your size."

In the 1970s, Stephen and William owned 650 acres. On paper, their land was worth a small fortune, but like many farmers, the Melniks were land rich and cash poor. APR seemed like a good tool to free up some of their equity. Stephen describes his thoughts about the program this way: "If you're in this game of farming for a lifetime and the next generation hopes to farm, you are kind of cashing in on your equity. We want to actively farm, farming is in our blood. Seeing the margin of profit in the farming industry is so tight, it's a way of loosening up a lot of things."

With the proceeds from selling an *apr* on their original 250 acres, the Melniks financed the purchase of two additional parcels of land. In one case, remembers Stephen, the brothers bought land right out from under a developer. They used the APR program to protect the new land from future development. To buy land any other way is very difficult, explains Peter. He describes a parcel of land that the family purchased in the 1980s for \$10,000 per acre. He estimates that it would take "about 100 years of growing corn for cows to pay for that out of the profits of the land." Peter credits the APR program with creating "a way to buy more farmland and enable four families to live here instead of just one."

The land that was purchased through the APR program has been instrumental in some changes in the operation. The Melniks grow all of their own feed and sell surplus silage to other farmers. By increasing their land base, the family also became eligible for a USDA Natural Resources Conservation Service program aimed at improving water quality within the Deerfield River Valley watershed. The program helped the farm install a manure slurry system.

The Melniks rent an additional 200 acres of land to grow corn and alfalfa. Some of their rented fields are also protected by *aprs*. One of their landlords commented that she is happy that the Melniks are using and caring for her land, and is grateful to have the rental income to help pay the bills. The Melniks like the arrangement because they have the security of knowing that the landowner is committed to agriculture and will not be selling to a developer at any moment.

Without the APR program, says Stephen, the Melnik farm “still would be here, but a lot of the land would be developed. We would have sold front lots and farmed the back,” he reflects. Stephen is happy to have avoided that scenario. “With the smells and the noises [of a dairy farm],” he explains, “you don’t want a lot of families around.”

The Melniks are strong supporters of the APR program, but they still wish that it was not necessary. “I wish we got enough for our products so that we could compete with other industries for land,” says Stephen. “Sometimes it seems backwards. The simplest way to preserve the farmland is to preserve the farmer.”

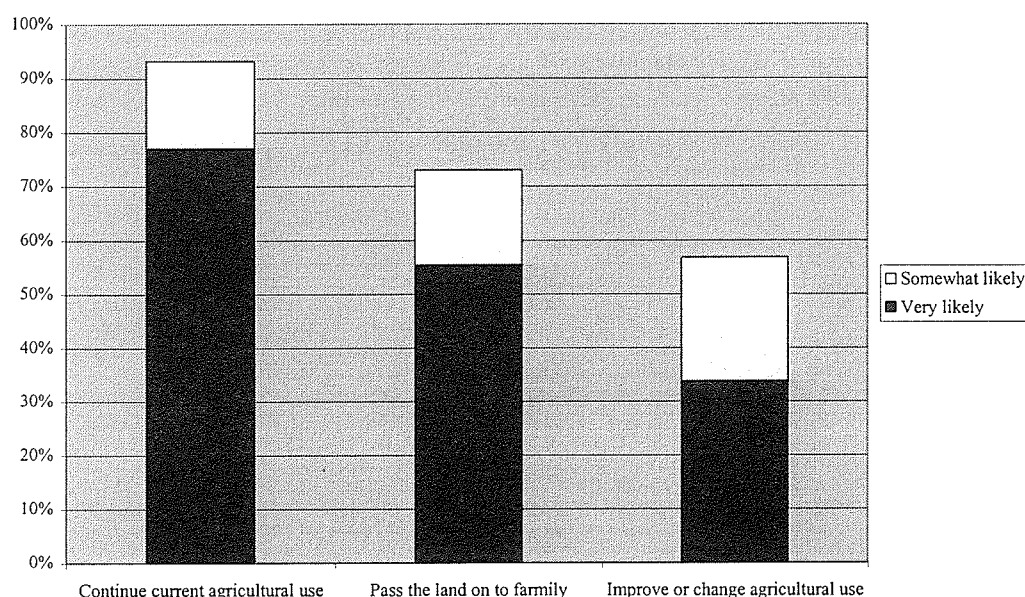
Thirty-two respondents believed that the APR program helped them implement conservation practices. Twenty of the 35 farmers who participated in the personal interviews mentioned having installed or having plans to install at least one conservation measure. Most of the farmers contacted spoke about their strong feelings for the land, and considered themselves to be careful stewards of the environment and natural resources.

While the majority of farmers contacted believe that the APR program has facilitated successful changes in their operations, several sounded a cautionary note. “APR is not the answer to low prices and high operating costs,” observed one grower who made significant management changes in his operation after selling an *apr*. “You have to make some changes, you can’t continue the same way you were going.” Simply using APR money to pay off debt and farming the same way you have been for decades, he explains, “is a dead-end street. You have to look really hard [at your operation],” he advises other farmers, and ask “what has and has not worked? You need a business plan and a marketing plan, that’s for sure.”

## Long-term plans for APR farms

The vast majority of farmers contacted for this study plan to keep their land in its current agricultural uses. Nearly three-quarters of respondents said that it was either “very likely” (55.4 percent) or “somewhat likely” (17.6 percent) that they would pass the land on to other family members for farming in the long term. Approximately one-third intend to improve or change the use of the land for a new agricultural purpose (see Figure 8).

Figure 8: Planned use of APR land in next decade



N = 74

More than 80 percent of farmers surveyed were not interested in selling their protected land. Three farmers have tried to sell some APR land in the past, but only one has current plans to do so. Ten farmers said they might try to sell their land in the long term. More than half the farmers who participated in the telephone interviews believe that the APR restriction will make it more difficult to sell the land if they ever decide to do so, while approximately 20 percent think that it will be easier to sell protected land.

Many of the farmers interviewed in person elaborated on their plans to expand their farms in the future. Several said that they would be interested in purchasing more protected property. Some have plans for building and storage facilities, others are hoping to increase their retail activities, and one grower is talking with others about establishing a processing and marketing cooperative. Many of the older farmers voiced hopes that their children or grandchildren would take over their operations.

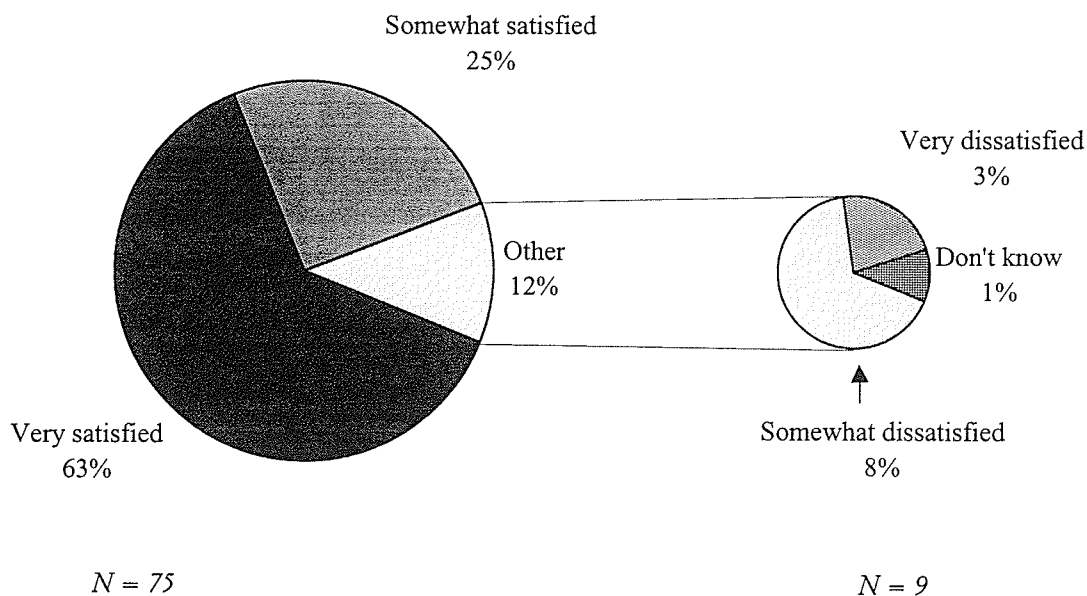
Finally, participants were asked whether owning protected land makes farming more or less financially viable in the long term. While nearly 19 percent felt it makes no difference, approximately 37 percent felt that it makes farming “much more viable” and another 30 percent believed that it makes agriculture “somewhat more viable” in the future.

### Farmer satisfaction with the APR program

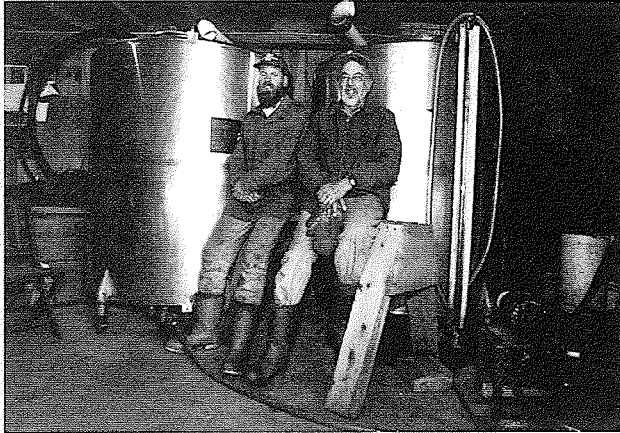
*"I think the program makes me think that farming has a brighter future, and I'm thankful for that."*

Eighty-eight percent of farmers interviewed expressed satisfaction with the APR program. (see Figure 9). The majority (62.7 percent) reported that they are "very satisfied" with the program, and an additional 25.3 percent reported being "somewhat satisfied." Six farmers (8 percent) said that they are "somewhat dissatisfied" with APR, and only two farmers (2.7 percent) reported being "very dissatisfied." All of the subgroups of farmers—those that sold *aprs*, those that bought protected land, farmers who inherited protected property and those who acquired their APR land through a combination of methods—reported high levels of satisfaction with the program. All five farmers who inherited protected property said that they were "very satisfied" with APR.

Figure 9: Farmer satisfaction with the APR program



## Shearer Family Farm Colrain



The Shearer family's dairy operation in Colrain bucks the conventional wisdom of the "bigger is better" approach to dairy farming. Larry Shearer and his son, Kenny, borrowed an idea developed by farmers half a world away, in New Zealand. With seasonal dairying, the Shearers have accomplished what most experts say is impossible: They support two families with a small milking herd of 50 cows.

The Shearers began experimenting with new approaches to dairying in the early 1980s with rotational grazing.<sup>14</sup> Intensive pasture management cut feed costs and improved farm profitability, but the operation was still very labor intensive. With Larry's retirement in the not-so-distant future, Kenny approached his father with a decision. "Dad, I'm not going to keep farming the way we've been doing it," he announced. "We were making money," says Larry, "but it was the quality of life, the stress of no vacation," that brought Kenny to the conclusion that something needed to change.

The New Zealand style of dairying emphasizes reducing the costs of production rather than increasing output. In a seasonal dairy operation, all the cows are bred to calve during a short time period. This allows the farmer to manage the entire herd as a group. The cows have the same nutritional requirements and similar needs for veterinary care when they are pregnant and calving. They are dry in late winter to early spring, which reduces the need to store feed, cuts costs and allows the farmer to take a vacation. One of the biggest advantages of converting to seasonal dairying is that it requires no capital investment. "It's strictly a management thing," explains Larry.

Larry and Kenny started adjusting their breeding cycles in 1988. Within a few years, the benefits of the new system were obvious. Feed costs went down by 25 percent and veterinary bills decreased by 75 percent. "For eight months of the year, we don't even see a veterinarian around here," boasts Larry. "There's two months where you are making no milk so...your electric bills go way down," he continues, smiling. "It's the time to take a vacation if you want to...all you have to do is hire somebody to come in...and feed the cows once a day."

When agricultural experts look at the figures from the Shearer farm, they shake their heads. “We only have about a 15,000- to 16,000-pound herd average,” Larry explains. “Everything you read says that if you don’t have at least a 20,000-pound average, you are going behind, no way you can survive, no matter what your size. When you say a 15,000-pound average on 50 cows...our figures are so far off—different than anything they can come up with—that [they conclude] ours are wrong.”

But the Shearer’s farm is one of the few dairies in the region where the figures *do* make sense. “We’re well satisfied with our standard of living. There’s a swimming pool and a couple good cars out there. Everything is paid for...And nobody works off the farm here,” says Larry with pride. “We couldn’t be happier. We plan to stay with dairying for the foreseeable future. We are able to make a good living on the present price of milk. It would be easier if it were higher, but the price of milk is not a problem.”

Very few New England dairy farmers share Larry’s optimism. Lately, Larry says, interest in seasonal dairying has been increasing, and he has been traveling around the region, speaking to farmers and extension agents to promote the concept.

For the Shearers, the change to seasonal dairying was the most important step in protecting their farm. “[We] think that it is one of our best opportunities to keep the small dairy viable, and as a result, if it’s viable, you keep the land open, you keep the land farmed,” says Larry. “We would not have gone into [APR] if we had not...already gone into seasonal dairying and found out that the way we’re doing it would be a viable enterprise for the foreseeable future.”

The APR program helped the Shearers meet a different challenge. With the operation profitable and manageable, Kenny was willing to assume responsibility for the farm. Larry wanted to retire and turn the land, cows and machinery over to his partner, but he also wanted to share his assets with his other four sons, who were not interested in farming. As a board member of the Franklin Land Trust, Larry was familiar with the APR program and knew it could be a valuable tool for farm estate planning. He invested the proceeds from selling an *apr* on the farm to help fund his retirement and gave the land and the operation to Kenny, more or less as a gift. The rest of the estate, including the APR money, will eventually go to Kenny’s brothers.

The APR program had another, unanticipated benefit for the Shearers. Recently, officials from the neighboring town of Shelburne Falls started eminent domain proceedings on a portion of the Shearers’ land. Normally, when APR land is involved in a taking, the agency that initiates the proceeding has to take the entire parcel and compensate the Commonwealth for the restriction. Larry called the Department of Food and Agriculture for help. Department officials called the water district and told the local agency to work with the Shearers on a farm management plan that would protect water quality. “DFA interceded on my behalf, and they have made an exception,” says Larry. “That is an advantage. The state has a vested interest because they spent money on this land to keep it [in] farming and seem more than willing to express their political clout to help us keep it in agriculture.”

Larry Shearer officially retired three years ago, but only in the sense that the ultimate responsibility for the farm and its future now belongs to Kenny. “I’m actually working hard, if not harder than I ever did,” admits Larry. “I am enjoying it and I’m not tied down now. I can pick up and leave at any time. I feel good,” he says.

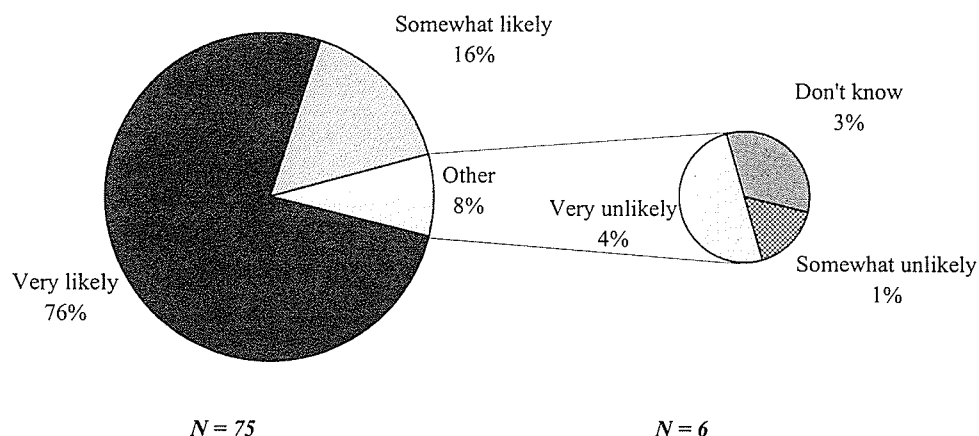
The Shearer dairy farm is part of a block of more than 1,000 acres of protected land in a three-mile radius. Larry's brother David's apple orchard abuts the dairy to the north. David sold an *apr* on his land in 1996. "The Shearers have been in this town since the mid-1700s," reflects Larry. "We're kind of married to the concept of staying. APR fits in with that concept," he explains.

The Shearers' land lies between the well-traveled Mohawk trail and the Vermont border. Driving up the road, past the rolling pastures and grazing cows, apple orchards and old red barns, it is easy to imagine the landscape of centuries past. But it's important to look behind the beautiful scenery to the farm businesses that maintain the landscape. The Shearer's land is protected by an *apr*. Their dairy operation is protected by hard work, smart planning and old-fashioned Yankee ingenuity.

Of the 75 farmers interviewed by telephone, 51 voiced no dissatisfaction with the APR program. When the farmers were asked if, based on their experience, they would participate in the program again, 92 percent said that they would be either "very likely" (57 farmers) or "somewhat likely" (12 farmers) to do so. Only four respondents believed that they would be "somewhat" or "very" unlikely to participate in the program again given their experiences (see Figure 10).

*"If any [more] local APR land became available, we'd be interested."*

Figure 10: Would you participate in the APR program again?





Many of the farmers that were interviewed in person talked about a sense of relief that came with selling an *apr*. “The most helpful thing,” said one dairy farmer “is probably knowing that someone with lots of money is not going to try to come in any time and buy it up. I don’t get hassled by real estate people,” he continued. A vegetable grower remembers thinking “I did it. I made a difference in saving a piece of land that otherwise would have had houses all over it.”

Farmers also expressed their appreciation for the APR program and program staff during the interviews. “I thought it was the greatest thing for a young person or someone trying to get into farming,” said a farmer who purchased APR land. “[T]he program...makes me think that farming has a brighter future, and I’m grateful for that,” commented an older farmer who sold an *apr*. “The Department [of Food and Agriculture] has been very considerate in considering changes necessary for the agricultural operation,” said one farmer gratefully. Several farmers commented on the fairness and professional nature of the appraisal process.

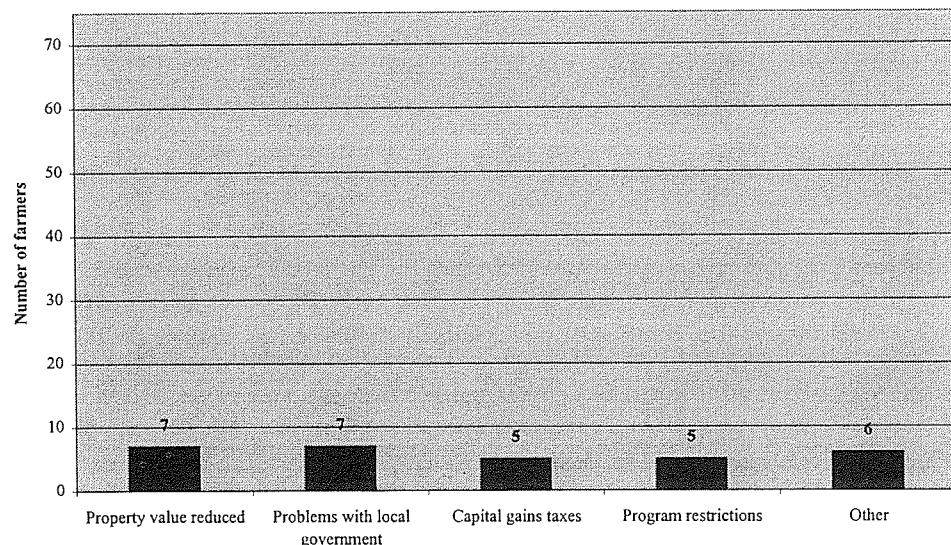
*“It is very good that there is no cost and no commitment...it was very fair and thorough.”*

The APR program administration was singled out for praise by more than a third of the farmers interviewed in person. The program administrator, said one farmer, “was great at dealing with a lot of the farmers that didn’t trust the program. He’s been a real help to me.” A colleague agreed. “The program has gotten 10 times better. At first there was a lot of turnover and no continuity at all in the process. But now...phone calls get answered. The whole process moves much more quickly now.”

#### Reasons for dissatisfaction

Telephone interviewers asked the farmers who reported being less than very satisfied with the APR program about the major reasons for their dissatisfaction. Respondents were permitted to give more than one answer. Seven farmers cited problems with their local government in relation to the APR program. Seven mentioned reduction in property values as a result of the program. Five farmers mentioned capital gains taxes that were applied to APR proceeds, and five were dissatisfied with the restrictions imposed by *aprs* (see Figure 11).

Figure 11: Reasons for dissatisfaction





### *Problems with local governments related to APR*

During the in-person interviews, it became clear that much of the dissatisfaction with local government mentioned during the telephone surveys was related to problems dealing with local tax assessors. In Massachusetts, farmers who wish to have their land assessed at its value for agriculture rather than its full market value must apply for agricultural valuation under the Commonwealth's 61A program every year.<sup>15</sup> According to state law, property that is protected by an APR is *automatically* entitled to agricultural valuation under 61A because the land cannot be developed. In reality, however, many farmers who own protected land report that their local tax assessors require them to file 61A forms every year.<sup>16</sup>

Farmers in eight different towns reported misunderstandings with local tax assessors about valuation of protected farmland. Most were able to resolve these problems quickly and easily, but at least two farmers have experienced serious, long-term conflicts with local officials over taxes. One farmer explained that his local government was very supportive of APR, and then corrected himself. "I should have said everybody but the assessors. The assessors ran me through hell and back," he says. "They were really, really nasty, and still are."

Another farmer described his problems with tax assessors as a symptom of his town's lack of support for farming in general and the APR program in particular at great length:

Two years ago, the assessor took all of our road frontage and turned it into houselots and doubled or tripled our tax bill...I went up, to try to clear up the case. I explained what went on about APR—the development rights were sold when we bought the property...She just raised her voice and said, "Well, that's your fault, you took the money, that's your problem, we get to tax you whatever we feel like taxing you." On the legal end of it, as soon as they issue a tax bill, no matter how accurate or inaccurate it is, you have to pay it...then go back and apply for a rebate or plead your case... I went through this four separate times...We would go around and around and I got the impression that they had no comprehension of what the program was, even though the town entered into the program...We used to joke that this would be the biggest piece of farmland in town. As you watch some of it dry up, it's not that funny anymore.

### *Reduced property values*

Concerns about reduction in property value due to *aprs* seemed to fall into two categories. A few farmers were afraid that they would not be able to get a good price if they were to put their protected land on the market. One farmer remarked that "Well, the value of the property is less ... I knew the property was going to go down, I haven't tried to sell it, but I don't know how much I will be able to get for it when I do."

The other concern that farmers voiced about property values related to the fear that restrictions on the land would have a negative impact on their ability to borrow money. A farmer who had placed an *apr* on a portion of her property said that she would be reluctant to protect more of her land. "The...[full] market value of all our property is over \$1 million, and the farm value is \$200,000," she explained. "What will the bank look at?" she asked rhetorically. "If you do have to borrow money, you have the land value."

Three farmers who purchased APR land spoke about their difficulty getting mortgages. "I had no qualms about buying a piece of property whose development rights had been sold," remembered a vegetable grower, "But I wasn't prepared for the reception or non-reception that we'd get, first at the commercial banks, then at the commercial agricultural bank, who didn't even want to touch the property..." Ultimately, the farmer got funding through FMHA, but he doesn't have good feelings about the process. "I would say that the greatest difficulty was not so much locating markets for produce, but trying to make a banker happy." He believes that APR made it more difficult to get funding, summarizing the bankers' attitude this way: "If you can't build a shopping mall there, we're not interested." Another young farmer talked about having to borrow money "in a very unconventional, unique kind of way, because conventional methods of mortgaging wouldn't consider the APR potential of the property."

### *Capital gains taxes*

Farmers also spoke about their frustrations with having to pay capital gains taxes on the proceeds from selling *aprs*. "The capital gains money would have been very helpful," said a farmer who was left with little cash after settling debts and paying taxes. "Knowing the needs of the farm and not to get that money back was a difficult thing, a hard reality," she remembers. Other farmers cited the capital gains tax as a deterrent to protecting more land. "It just seems foolish to give a third of it back to the government," was a fairly common response. Several of the growers interviewed thought that a capital gains tax exemption for farmers who protect their land would be good policy. "Because the APR program is a unique program aimed at accomplishing certain goals, it would seem to me that there could be a way for the politicians to massage some...sort of capital gains exemption," suggested one grower.

### *Program rules*

While five farmers mentioned their dissatisfaction with the APR restrictions during the telephone survey, this did not emerge as a major concern during the in-person interviews. The interviews did show, however, that many of the farmers who have purchased protected land but had never sold an *apr* are not familiar with the provisions of the program. "We always keep in mind the rules, even though we're not sure what they are," said one farmer. "We try to imagine what they'd be. We'd like to get a copy of the laws." Another farmer was surprised when the former owner of his protected land called the APR program to report him for extracting gravel from the property. "They called us, and even the fellow on the planning board was surprised that APR had to be notified, because he'd never run into it before."

### *Need for more follow-up*

A few farmers voiced their opinions that there should be more follow-up after the sale of an *apr*, to improve the viability of protected farms. "I would like to know about what programs are out there for me," said a vegetable grower. "I'd like to hear about any of the programs they have got going on as far as financing a greenhouse. I'd like to put some irrigation in here, but I haven't heard squat out of them since I signed the papers." The owner of a specialty livestock farm commented that "The state could do a lot to help APR farms...when we were trying to put in a processing plant, the [Department of Food and Agriculture] was no help." Another farmer felt that APR farmers should be eligible to receive the agricultural, economic and environmental consulting services provided

through the state's new Farm Viability Enhancement Program.<sup>17</sup> He suggested that "...maybe a few more interjections of help somewhere would keep [APR farms] viable, long into the future. There ought to be a little more follow-up to each case to see if there are other ways of making the whole thing work...No one said this, but I felt that since we got the APR, they felt that we got our money and now you're on your own!"

### *Program administration*

In the area of program administration, farmers were critical of the long application process for the program. Some felt that delays present a barrier to participation, as farmers who get tired of waiting change their minds. Others were frustrated by the amount of paper work involved in selling an *apr*. One farmer who has sold restrictions on several parcels noted an improvement in program efficiency over time. "The whole process moves much more quickly now," he commented.

### *Other reasons*

Farmers also had concerns about the APR program that were not based on their own experiences. One farmer felt very strongly that the APR program is not reducing land values enough to make farmland affordable for farmers. Several of the farmers alluded to protected farms that were not in active agricultural use. Others were dismayed at the prospect of a foreclosure on an APR farm, and several mentioned a case of a house being built, illegally, on a protected farm. One farmer alluded to these cases as "black eyes" on the APR program, but was quick to say "...there have been many, many good results. They far outweigh the negative ones."

## **Addressing farmer dissatisfaction with the APR program**

### *Problems with local government*

Conflicts with tax assessors over the valuation of protected land emerged as the biggest single complaint about the APR program. Many local tax assessors are clearly unaware that farmers who own APR land are not required to apply for agricultural use valuation under Chapter 61A. APR farmers are entitled to have their land assessed at agricultural value automatically.<sup>18</sup>

In 1992, an American Farmland Trust study showed that taxes paid on farmland in three Connecticut River Valley towns exceeded the cost of public services provided to that land.<sup>19</sup> Similar studies in other jurisdictions have found that farmland generates more in tax revenues than it requires in public services, even when the land is assessed at its agricultural value. Massachusetts tax assessors need more education on the fiscal benefits of protecting farmland and how to assess APR properties.

### *Reduction in property values*

Farmers' concern about reductions in property value as a result of *aprs* indicates a need for more education about the program before farmers agree to participate. The restrictions put in place by *aprs* are designed to reduce property values by removing the development value of the land. While the value of the property is reduced, farmers should not experience a *net* loss because they receive the development value of the land in cash.

*"The people in town, officials, seem to be fairly happy that I sold my development rights. They know that a piece of land this big could raise problems if a big residential area would be put in here. Now they know it won't be. It makes them happy."*

Concerns about reduced equity among farmers who sold *aprs* seem to be based more on fears than reality. None of these farmers reported actual trouble getting loans. Farmers who purchased APR land, however, did report difficulty obtaining financing, especially with commercial lenders. Their experience suggests that agricultural lenders such as Farm Credit and FMHA are the best sources of financing to purchase APR property.

#### *Capital gains taxes*

Capital gains taxes on the proceeds from the sale of *aprs* were another source of dissatisfaction with the APR program. Protecting farmland is a service to the public, explained some farmers, and the proceeds from selling an APR should not be taxed as if they had sold the farm to a developer. Currently, federal and state laws provide no special capital gains tax treatment for farmers who receive cash for protecting their land, but there is no technical reason why an exemption or credit could not be created. It should be noted, however, that dissatisfaction with capital gains taxes on the sale of real property is widespread among landowners and not limited to the APR program.

#### *Not enough follow-up*

Farmers' desire for more follow-up after an *apr* is sold reflects the limits of the APR program. Several farmers were quick to point out the APR program cannot solve all the problems facing agriculture in New England. "You have to be able to earn a living," said one farmer, "or you are right back in the same boat again." Access to technical assistance, financial planners and economic development programs could help farmers make better use of the proceeds from selling *aprs*. It might make more sense, however, to provide this assistance prior to the sales, rather than after the deal is closed and the money is spent.

#### *Delays and red tape involved in selling an easement*

Delays and bureaucracy are perennial complaints about APR and other PACE programs. Much of the delay is created by shortage of funding. Funding for the purchase of *aprs* is provided from bond issues, but there are limits on the amount of money that can be spent on the program in any given year. Making these limits more flexible could reduce delays, but the remarkable popularity of APR and other PACE programs is also responsible for waiting lists.

The appraisal process also increases the amount of time it takes for the APR program to make an offer to farmers. Several local PACE programs have reduced delays, paper work and administrative costs by using a different method of determining the value of agricultural conservation easements. Instead of appraisals, which measure the difference between fair market value and restricted value, these jurisdictions use a "point system" that measures the value of farms for agriculture.

#### *Improper use of APR farms*

Several of the farmers interviewed for this study were concerned about APR farms that were vacant, underused or used inappropriately. Upon closer examination, all of these concerns seemed to be related to a handful of problem properties.

*"I was very impressed with the appraisal...it was very fair and thorough."*

The fact that some APR farms are not being used to their full potential is not surprising. What is remarkable is the extent to which the APR program has succeeded in achieving its mission and the degree to which farmers are satisfied with their participation. More than 43 percent of APR program participants in Franklin and Hampshire counties were surveyed for this study, and every single respondent reported that at least some of their land is being used for agriculture. More than 90 percent of farmers reported that more than half their protected land is in agricultural use. Given the data, it is difficult to argue that vacancy is a major problem.

It is clear that a few vacant or under-used farms can be very damaging to a program's reputation. APR administrators need to learn from mistakes and avoid repeating them. But rather than dwelling on the few protected farms that have not met their potential, APR promoters would be well-served by highlighting and advertising the program's many success stories.

## DISCUSSION

### Farming activity

## DISCUSSION

Critics of APR and similar programs sometimes charge that PACE protects the land but not the activity of farming. Many legislators and some farmers offer anecdotal evidence that protected farms are idle, or worse yet, “growing up to brush.” Statistics on farming activity on APR land contradict these claims. Every farmer surveyed by telephone reported that at least some of his or her land is currently being used for agriculture, and a majority said that all of their land is being farmed. Furthermore, responses indicate that the protected land that is not being farmed is not suitable for agricultural use. These statistics provide clear and convincing evidence that the vast majority of APR land is being used for agricultural purposes.

In the personal interviews with farmers, it became clear that several owners of protected property are working to reclaim more land for agriculture by clearing brush, cutting timber and restoring old fields. These cases show that in some instances, the APR program may actually be *increasing* the intensity of farming activity on the land.

### Land tenure

#### *APR sellers*

Demographic differences between farmers who sold *aprs* and those who purchased or inherited protected land suggest two distinct land tenure patterns and different motivations for participation in the program. According to the data collected in the telephone survey, *apr* sellers are older, less affluent, more likely to be women and more likely to be widowed than farmers who bought or inherited protected land. *Apr* sellers represent 64 percent of the sample (see figure 1, p. 8).

During the in-person interviews, it became clear that many older farmers used the sale of an *apr* to fund their retirement, pay their mortgages and other debts and provide for their children without having to sell land for non-farm purposes. The APR program clearly provides a financial safety net for older farmers. This finding is predictable given the fact that the program uses the degree of threat to the land as a criterion for deciding which farms to project.

Financial concerns do not, however, seem to be the primary reason why *apr* sellers chose to participate in the program. If this were the case, these farmers could certainly have made as much or more money with less hassle by selling their land to developers. Rather, the majority (81.3 percent) of APR sellers say that protecting the land for agriculture was their most important motivation for participating in the program. Comments made during the in-person interviews indicate that these farmers are deeply committed to the land and to agriculture and see the APR program as a means of continuing their stewardship of the land even after they are gone.

This finding is supported by a recent survey of 274 landowners in northeastern states who have sold or donated conservation easements on their land. This research found that “landowners grant easements because of their feelings of personal attachment, stewardship, and community ethics...” Financial considerations were not found to be a primary motivation for protecting land.<sup>20</sup>

*“It probably would have been just as easy to sell building lots one at a time and have a half a dozen or so houses here, but our intention was to keep [the land] open as long as we could and available as a farm.”*

### *Purchasers of protected land*

Younger farmers are using the APR program to enter farming and expand existing operations. Nearly 44 percent of farmers who purchased APR land said that they decided to participate in the program because APR land is more affordable for starting farmers to buy. Seventy-five percent of these farmers said that *aprs* had a “very positive impact” on the purchase price of the land, and 62.5 percent said that the program had a “very positive impact” on their actual ability to buy the land. The case studies show how the APR program is making the dream of farm ownership a reality for young farmers. Amherst farmers Paul and Anne Duffy “specifically searched out” an APR farm, and Montague farmers Tom and Jackie Beauchesne increased the size of their farm five-fold by buying and protecting a parcel of rented land that would otherwise have been sold for development.

*“I think young people are buying up this [protected] land—there sure seems to be a market for it.”*

### *Stabilizing the land base*

Farmers’ responses to questions about their long-term plans for protected land indicate that participation in the APR program may have a stabilizing effect on land ownership. While a majority of survey respondents believe that it will be more difficult to sell property that cannot be developed, few farmers see this as a problem. More than 80 percent said they had no interest in selling their APR land. Almost all (93.2 percent) owners of APR land plan to keep the land in its current agricultural use for the next decade. Most (73 percent) eventually hope to pass the land on to children or grandchildren who will continue to farm.

### *Keeping the farm in the family*

The APR program is clearly instrumental in perpetuating family tenure of farms and farmland. During the in-person interviews conducted for this study, many farmers spoke about how protecting their land gave them the opportunity to keep a farm in the family. In some cases, a decision to participate in the APR program forestalled the need to sell land for development, thus giving family members more time to work out the future of a farm. In other families, the sale of an *apr* was the catalyzing event that convinced a child or grandchild to come back to the land and take over the family farm.

The case studies provide good examples of how the APR program facilitates the transfer of farmland within families. On the Matuszko farm in Hadley, the proceeds from the sale of an *apr* were used to settle an estate. The reduction in the farm’s value made it possible for one of the farmer’s five children to purchase the land and continue farming. Colrain dairy farmer Larry Shearer sold an *apr* to fund his retirement. The sale also allowed him to give his farm and dairy operation to one son while leaving cash assets for his other children to inherit in the future. On the Williams farm in Deerfield, APR funds were used to consolidate ownership of the farm in the hands of the family members who are actively farming. The Beauchesne and Melnik families are using the APR program as a part of a strategy to build farm operations that can support two generations of farmers and several families.

Farmers who are not familiar with PACE programs often express a fear that protecting the land will “tie the hands” of their children or future generations. “What if my children, grandchildren or great-grandchildren don’t want to farm?” they ask. “What if they get stuck with land that can only be used for farming?” The strong market for protected farms in the study region suggests that if future generations don’t want to farm, they will

*"My main concern was that the sale would mean forever, but I guess that's what I wanted."*

have the option to sell the land to other farmers. If there comes a time when the land is found to be unsuitable for farming, the APR program, like other PACE programs, makes provisions to terminate the restrictions that limit use of the land.

The APR farmers interviewed for this study asked themselves a different question: "What if my children, or grandchildren or great-grandchildren DO want to farm?" they wondered. These farmers came to the realization that if they sold their land for development, the family farm would be gone forever. Protecting the land gives farmers the security that their children, grandchildren and future generations will have the option to be farmers, an option that fewer and fewer young people enjoy. An apple grower who works on his protected farm with his college-age son put it this way: "I don't feel as though we've lost any opportunities," he said. "If we can continue farming, it's increased our opportunities."

It is also notable that the younger farmers who purchased or inherited APR land expressed no concern about being "stuck" with their protected property. To the contrary, several expressed a desire to purchase more APR land if it were to become available.

The results of the survey questions about satisfaction with the APR program should also reassure farmers who are considering protecting their land. The overwhelming majority of farmers surveyed had no regrets about their participation in the program. Based on their experience, only four out of the 75 farmers surveyed said that they would be unlikely to participate again. While the number of survey respondents who inherited land is too small to draw statistical conclusions, it is notable that all five of these farmers were "very satisfied" with the APR program, and all said that they would be either "very likely" (76 percent) or "somewhat likely" (16 percent) to do it again.

Even farmers who are not currently farming their protected land themselves are happy with their decision to participate in the program. None of these farmers said they had any trouble finding tenants, and none expressed any difficulty with their rental agreements.

Given the desire of older farmers to keep their land in agriculture, farmers' plans to keep protected land in the family, the demand for leases on farmland and the market for affordable farmland among young farmers, it is extremely likely that land protected by the APR program will remain in agricultural use long after the present owners retire or pass away.

### **Farm employment**

The APR farmers surveyed are much more likely to work full time on their farms than other farmers in the area. Only 24 percent of the APR farmers surveyed reported having off-farm jobs. According to the 1992 Census of Agriculture, 57.3 percent of farmers in Franklin and Hampshire counties did at least some part-time work away from their farms.

There are a few potential explanations for this finding. It is possible that APR farms are more likely than other operations in the area to be full-time commercial operations that can support a farmer or a family without the need for outside income. Alternatively, the proceeds from selling *aprs* may have made it possible for some farmers to give up part-time jobs off their farms. Finally, the large number of farmers over the age of 65 in the sample (37.3 percent) may explain why so few have off-farm jobs. In any case, the fact



that 76 percent of the farmers surveyed do not have other jobs is a positive sign that APR farmers have more time and flexibility than other farmers to devote to agricultural work.

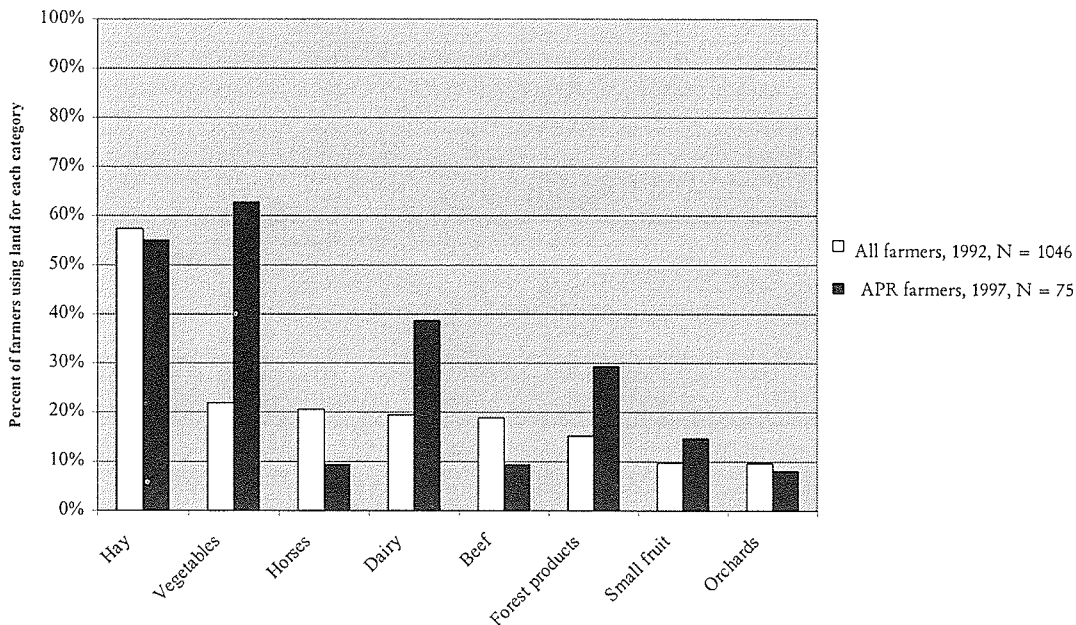
Other statistics show that the APR farms are similar to other Valley farms in terms of their need for employees. Approximately 38 percent of both APR farmers and Valley farmers in general report that they hire people from outside of their family. During the in-person interviews, several fruit and vegetable growers spoke about the difficulty of finding skilled farm employees. If APR farms continue to expand in size and number, the shortage of trained employees may become more of a problem in the future.

### Land use, farm size and farming activity

#### *Land use*

The 75 farms represented in the sample for the telephone survey constitute approximately 7 percent of the farms in Franklin and Hampshire counties as reported by the 1992 U.S. Census of Agriculture. Compared to the general population of farms in the two counties, farmers in the APR sample are growing more vegetables, raising more dairy cows and selling more forest products (see Figure 12).

Figure 12: Agricultural uses of land, Hampshire and Franklin counties



The figures for the larger group of Valley farms are taken from the 1992 Census of Agriculture, and it is possible that the crops and livestock produced in the region have changed over the past five years. Given the sheer magnitude of the difference in the percentages of vegetable farms, however, it seems likely that this difference is real. This finding reflects the fact that the APR program targets productive soils and intensively farmed

properties, but it also may indicate that APR farmers are using their land more intensively and producing higher-value crops than other Valley farmers do. More research would be needed to verify this hypothesis.

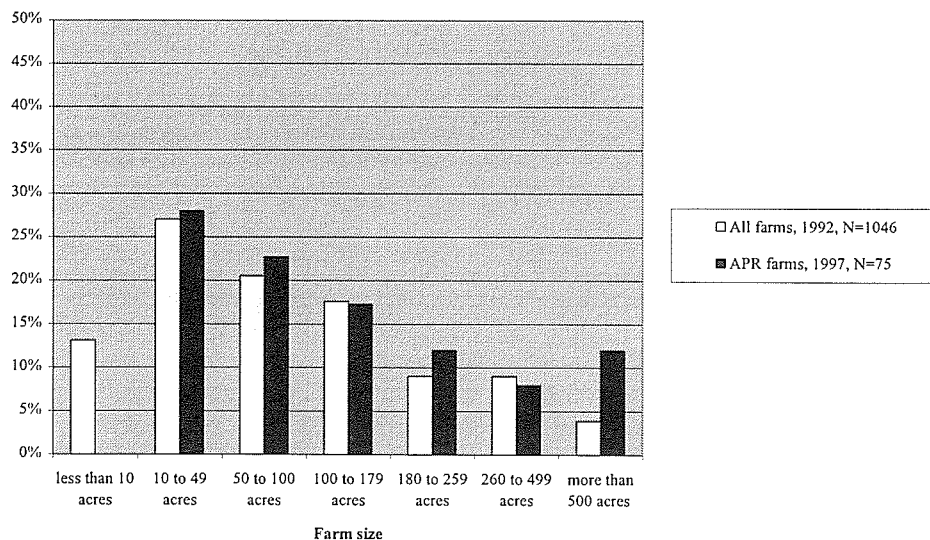
It also seems likely that the relatively large percentage of APR farmers reporting that they devote some of their land to dairy farming represents a real difference from Valley farms in general. Given the historic decline of dairy farming in Massachusetts and the low milk prices of the 1990s, it is very likely that the total number of dairy farms in Franklin and Hampshire counties has gone down, not up, since 1992. Current figures would probably show a larger difference in the percentages of Hampshire and Franklin farms with dairy cows and APR farms that use land for dairy farming.

This difference may indicate that the APR program is helping to keep dairy farming viable in the region. Three of the case studies seem to support this conclusion. Given the economic state of the dairy industry in Massachusetts and the pessimistic mood of most of the state's dairy farmers, the optimism of Gordon Williams, Stephen Melnik and Larry Shearer is remarkable. This optimism seems to be related to the use of APR as part of a comprehensive strategy to build financially sound dairy operations. These three older dairy farmers used funds from the APR program to expand their land base, modernize their facilities and pass their farms on to children who hope to continue the family operations. Dairy farmers who protected their land without a clear, long-term strategy for making their operations profitable were considerably less optimistic about the future of their farm and the industry.

### *Farm size*

The average size of farms in the survey sample is 168 acres.<sup>21</sup> This is substantially larger than the 123-acre average farm size for Hampshire and Franklin counties reported by the 1992 Census of Agriculture. Figure 13 shows a breakdown of farms by size for APR farms compared to all farms in the two counties.

**Figure 13: Farm size, APR farms compared to all**



The data reveal that the average farm size for APR farms is larger than the two-county average for two reasons. First, the APR program does not protect the small hobby farms that represent 13 percent of the farms represented in the 1992 Census of Agriculture for the two counties. Second, there is a higher proportion of large operations in the APR sample as compared to farms in the two counties in 1992. Most of these large farms are dairy operations. It is possible that the percentage of very large farm operations in the two counties has increased since the 1992 Census. It would not be surprising, however, if APR farms are actually larger, on average, than other farms in the area, as the interviews conducted for this study indicate that many farmers are using the APR program to increase their acreage. Some are protecting their home farms and using the proceeds to buy additional land, others are purchasing additional land with the intention of selling an *apr* to make it more affordable, still others are buying land that is already subject to restrictions. It seems likely that there is a direct relationship between the affordability of protected land and the size of APR farms.

### Investment in agriculture: the permanence syndrome

In the early 1970s, agricultural policy experts started to talk about the erosion of farmers' confidence in the future of agriculture. Writers coined the phrase "impermanence syndrome" to describe how non-farm development can lead to a process of disinvestment in agriculture. According to the model, farmers see increasing land prices, property taxes and complaints from non-farm neighbors as an indication that agriculture will not be profitable in the future, and they decide not to make improvements in their operations. This makes it even less likely that their farms will be viable in the long term.<sup>22</sup>

One of the most dramatic findings of this study is the extent to which APR farmers are investing in the agricultural potential of their land. Almost three-quarters of the farmers interviewed have made improvements in their operations since they participated in the APR program. Seventy-eight percent of these farmers say that the APR program was important to facilitating changes in their operations, and 95 percent said that they believed these changes were important to the long-term viability of their operations.

The telephone surveys and in-person interviews clearly demonstrate that owning protected land is conducive to careful stewardship and long-term investment in agriculture. Many farmers told interviewers that knowing the land would always be available for agriculture encouraged them to implement conservation practices, improve the management of their farm, reclaim abandoned fields or repair old buildings.

This study shows that APR and, by extension, other PACE programs, can act as an antidote to the impermanence syndrome. By taking away the option of development, *aprs* increase the likelihood that land will stay in agriculture. Farmers who believe that their land is safe from non-farm development invest in the agricultural potential of their land. The sale of *aprs* gives them security, the motivation and the means to do so. Funds that are reinvested in agricultural operations make farming easier and more profitable, increasing the likelihood that future generations will have the opportunity and the desire to farm. In areas where there are large blocks of protected land, farmers have security that their operations will not be disrupted by complaints from non-farming neighbors. Taken together, these changes create a "permanence syndrome," whereby farmer's investment-backed expectations that agriculture will be profitable in the future actually increase the value and the productivity of the land for farming purposes.

*"APR's emphasis that [protected] land is still under private ownership is really important."*

The benefits of the permanence syndrome extend beyond individual farms. When APR farmers invest in their land and operations, they help keep other agricultural businesses, such as feed and equipment dealers, veterinarians and contractors in the community. It is possible that the protection of a few farms in a small area may help convince other farmers to invest in agriculture rather than sell for development. Benefits to the community include the maintenance of scenic landscapes, access to fresh, locally grown food and the satisfaction of knowing that farming will continue.

The case studies provide concrete examples of the types of investments and improvements APR farmers have made. Larry and Kenny Shearer made major changes in the management of their dairy farm before they decided to participate in the APR program. They sold an *apr* to facilitate transfer of the farm to Kenny when it became clear that the management changes were successful. The Beauchesnes and the Melniks used the APR program to expand the size of their farms. The Williams and Matuszkos modernized buildings and purchased new equipment that made their operations more efficient. The Duffys are slowly restoring land and buildings that have not been used for agriculture for 40 years.

The case studies illustrate some of the APR program's biggest success stories, and these farm families have something in common. They all realized that participation in the APR program was an important element of a comprehensive strategy to build a viable farm business, but not a panacea that could address all the challenges facing their farms. Selling an APR is not the beginning or the end of the process of making a farm viable. The APR farmers profiled in this report stand out because of their emphasis on planning for the future and their ability to perceive and adapt to changing trends in agriculture.

## LEARNING FROM FARMERS' EXPERIENCES:

### Recommendations for the APR Program and other PACE programs

This study has focused on the experience of Massachusetts farmers who have protected their land through the state's Agricultural Preservation Restriction program. The study sponsors believe, however, that the results have broad applications for other state and local PACE programs. Based on the findings outlined in this report, the study sponsors make the following observations and recommendations:

1. **Funding for PACE programs should be increased and more jurisdictions should adopt PACE programs to support agriculture and protect the land base.**

This study shows that PACE programs encourage farmers to invest in agriculture. Local communities benefit from this investment when farmers maintain scenic landscapes and protect natural resources such as water quality and wildlife habitat. Local businesses benefit from dollars that farmers spend in the community, and consumers benefit from access to fresh, locally grown food.

The experiences of farmers in the Connecticut River Valley of Massachusetts show that PACE programs protect the land, improve the likelihood that it will remain in agricultural use, facilitate the transfer of farms to younger generations and enjoy broad support from farmers. PACE programs require a significant commitment of public funds, but the benefits they provide are worth the investment.

2. **Local government officials need more information about the benefits of protecting farmland through PACE.**

Many studies show that farms make a net tax contribution to local budgets. Given the expense of providing municipal services to residential communities, protecting farmland is often less expensive than allowing it to be developed. PACE is a good investment in local fiscal stability. Education about the benefits of PACE may help convince local officials to contribute to the cost of protecting farmland.

3. **Local property tax assessors need more information about appropriate tax treatment for protected farms.**

If farmland protected by an agricultural conservation easement cannot be developed for non-agricultural uses, it should be taxed solely on its value for agriculture. Farmers who have permanently given up the right to develop their land for residential or commercial purposes should not be required to prove their eligibility for agricultural assessment every year. Protected farms should automatically be enrolled in state current use assessment programs. If there is a question about eligibility, the burden of proof should rest on the local government to prove that the farm has value above and beyond its agricultural use. If necessary, amendments to state law should be considered to make it clear that farmland protected through PACE be afforded favorable tax treatment by local taxing jurisdictions.

## LEARNING FROM FARMERS' EXPERIENCES

4. **PACE programs should be coordinated with other initiatives to promote agriculture and to encourage farm transfer.**

To increase the effectiveness of PACE and other programs designed to protect farmland and improve farm viability, information on PACE should be packaged and promoted with materials and workshops on agricultural district programs, agricultural economic development, transfer of development rights, farm transfer, farm financing, conservation options and estate planning where these programs and services are available.

5. **State policymakers should investigate the fiscal impact and feasibility of special capital gains tax treatment for farmers who sell easements through a PACE program.**

Several farmers interviewed for this study recommended that farmers who contribute to the social welfare by protecting their land should receive different capital gains tax treatment than farmers who sell their land for development. In those states with a capital gains tax, farmers who sell agricultural conservation easements could be exempted from capital gains taxation or taxed at a lower rate than landowners who sell real estate for development. In states without a capital gains tax, this benefit could be structured as a state credit against the federal capital gains tax on the transaction.

6. **Farmers who are considering participation in a PACE program need more information about the likely effect of selling an easement on property values.**

PACE programs are designed to reduce the fair market value of farms by removing development value of the land. Lower land values reduce the amount of estate taxes that farm families must pay when the owner of the land dies, thus facilitating transfer of farmland within families. Lower farmland values also make farms more affordable for beginning farmers. PACE program literature should clearly explain how and why future property values are reduced by selling an easement so that farmers will not be surprised by the drop in the value of their land.

7. **Farmers who are considering participation in a PACE program need written information that clearly explains program rules and restrictions on land protected by easements.**

Information on rules and restrictions should be given to all farmers who are considering the sale of an easement or the purchase of protected land. Printed materials should spell out which activities require permission from the program and outline the process for obtaining approvals. Ideally, this information should be provided before any binding agreements are signed.

**8. PACE programs should make an effort to stay in touch with program participants and to involve them in the growth and expansion of the program.**

Farmers who have protected their land can play an important role in promoting PACE programs and encouraging other farmers to participate. Possible strategies for involving farmers in the ongoing development and promotion of PACE programs include:

- Publication of a program newsletter.
- Development of official “protected farm” signs that farmers can post on their land.
- Development of a logo and promotional information about PACE that farmers can use to inform consumers about their participation in the program.
- A “speakers bureau” of participating farmers who would be willing to provide information on the program to farmers considering the sale of an easement or the purchase of protected land.

**9. PACE programs should consider providing assistance to farmers who agree to prepare business and financial plans as part of the process of applying to sell easements.**

The case studies included in this report indicate that farmers who use PACE programs as part of a comprehensive farm viability strategy may be more satisfied and successful than farmers who view selling an easement as the sole solution to financial difficulties. It is possible that farmers who prepare business and financial plans will make better use of the funds received from selling an easement. These plans also may help PACE program officials decide which farms to protect. PACE programs could offer technical assistance and grants as an incentive for farmers to plan for the future economic viability of their operations.

## Appendix A: Purchase of Agricultural Conservation Easement Programs

### DESCRIPTION

#### DESCRIPTION

Purchase of agricultural conservation easement (PACE) programs compensate property owners for restricting the future use of their land. PACE is known as Purchase of Development Rights (PDR) in many locations.

PACE programs are based on the concept that property owners have a bundle of different rights, including the right to use land, lease, sell and bequeath it, borrow money using it as security, construct buildings on it and mine it, or protect it from development, subject to reasonable local land use regulations. Some or all of these rights can be transferred or sold to another person. When a landowner sells property, generally all the rights are transferred to the buyer. PACE programs enable landowners to separate and sell their right to develop land from their other property rights. The buyer, however, does not acquire the right to build anything on the land, but only the right and responsibility to prevent development. After selling an easement, the landowner retains all other rights of ownership, including the right to farm the land, prevent trespass, sell, bequeath or otherwise transfer the land.

Landowners voluntarily sell agricultural conservation easements to a government agency or private conservation organization. The agency or organization usually pays them the difference between the restricted value of the land and the value of the land for its "highest and best use," which is generally residential or commercial development. The easement price is established by appraisals or a local easement valuation point system. Typically, PACE programs consider soil quality, threat of development and future agricultural viability when selecting farms for protection.

Easements give qualified public agencies and private organizations the right to prohibit land uses and activities that could interfere with present or future agricultural use. Terms may permit the construction of new farm buildings and housing for farm employees and family members. Easements "run with the land," binding all future owners unless the document establishing the easement provides that the covenant may be terminated for cause or at the end of a specified period of time.

### HISTORY

#### HISTORY

Suffolk County, N.Y., created the nation's first PACE program in the mid-1970s. Following Suffolk County's lead, Maryland and Massachusetts authorized PACE programs in 1977, Connecticut and New Hampshire followed in 1978 and 1979, respectively. Concern about regional food security and the loss of open space were motivating forces behind those early PACE programs.

### FUNCTIONS & PURPOSES

#### FUNCTIONS & PURPOSES

PACE compensates landowners for permanently limiting non-agricultural land uses. Selling an easement allows farmers to cash in a fair percentage of the equity in their land, thus creating a financially competitive alternative to development.

Permanent easements prevent development that would effectively foreclose the possibility of farming. Because non-agricultural development on one farm can cause problems for neighboring agricultural operations, PACE may help protect their economic viability as well.

Removing the development potential from farmland generally reduces its future market value. This may help facilitate farm transfer to the children of farmers and make the land more affordable to beginning farmers and others who want to buy it for agricultural purposes. The reduction in market value also may reduce property taxes and help prevent them from rising.



PACE provides landowners with liquid capital that can enhance the economic viability of individual farming operations and help perpetuate family tenure on the land. For example, the proceeds from selling agricultural conservation easements may be used to reduce debt, expand or modernize farm operations, invest for retirement or settle estates. The reinvestment of PACE funds in equipment, livestock and other farm inputs also may stimulate local agricultural economies.

Finally, PACE gives communities a way to share the costs of protecting farmland with landowners. Non-farmers have a stake in the continuation of agriculture for a variety of reasons, including keeping locally grown food available and maintaining scenic and historic landscapes, open space, watersheds and wildlife habitat. PACE allows them to “buy into” the protection of farming and be assured that they are receiving something of lasting value.

## ISSUES TO ADDRESS

The effectiveness of PACE programs depends on how jurisdictions address several core issues.

These issues include:

What kind of farmland to protect, which areas to target and how to set priorities?

What restrictions to put on the use of the land?

How much to pay for easements?

How to raise purchase funds?

How to distribute state funds among local jurisdictions?

How to administer PACE programs?

How to monitor and enforce easements?

## BENEFITS

PACE protects farmland permanently, while keeping it in private ownership.

Participation in PACE programs is voluntary.

PACE can be implemented by state or local governments, or by private organizations.

PACE provides farmers with a financially competitive alternative to development, giving them cash to help address the economic challenges of farming in urban-influenced areas.

PACE programs can protect ecological as well as agricultural resources.

PACE limits the value of agricultural land, which helps to keep it affordable to farmers.

PACE programs involve the non-farming public in farmland protection.

## ISSUES

## BENEFITS

## DRAWBACKS

PACE is expensive.

## DRAWBACKS

PACE can rarely protect enough land to eliminate development pressure on unrestricted farms.

PACE programs are generally unable to keep up with farmer demand to sell easements. This results in long waiting lists and missed opportunities to protect land.

Purchasing easements is time-consuming.

The voluntary nature of PACE programs means that some important agricultural lands are not protected.

Monitoring and enforcing easements requires an ongoing investment of time and resources.

Source: American Farmland Trust, *Saving American Farmland: What Works* (Northampton, Mass., 1997).

For additional information on PACE and farmland protection, the Farmland Information Center offers publications, an on-line library and technical assistance. To order *Purchase of Agricultural Conservation Easements: What Works*, a 38-page comprehensive technical report (\$14.95), or other AFT publications, call (800) 370-4879. The farmland information library is a searchable database of literature, abstracts, statutes, maps, legislative updates and other useful resources. It can be reached at <http://www.farmlandinfo.org>. For additional assistance on specific topics, call the technical assistance service at (413) 586-4593.

Appendix B: Market Street Research telephone survey questionnaire

Hello, may I please speak to \_\_\_\_\_.

This is \_\_\_\_\_ with Market Street Research calling on behalf of the American Farmland Trust and the Franklin and Deerfield Land Trusts. We are conducting a survey of the Agricultural Preservation Restriction Program to better understand how satisfied participants are with the program.

7. INTERVIEWER RECORD SEX

- 1--Male
- 2--Female

8. First, I just want to confirm that you are a participant in the Agricultural Preservation Restriction program, meaning that you sold development rights on farmland or that you own restricted land?

- 1--Yes--CONTINUE
- 2--No--THANK RESPONDENT AND TERMINATE

9. Did you sell the development rights on your land or did you purchase land that was already protected?

- 1--Sold development rights self
- 2--Purchased protected land
- 3--Inherited protected land
- 4--Combination
- 5--Don't know
- 6--SPECIFY OTHER

10. And which of the following most accurately describes your current situation?

- 1--Sold the development rights and still own the restricted land
- 2--Sold the development rights and have since sold the land
- 3--Purchased restricted land and still own the land
- 4--Purchased restricted land and have since sold the land
- 5--Inherited restricted land and still own the land
- 6--Inherited restricted land and have since sold the land

First, I would like to ask you about your overall assessment of the Agricultural Preservation Restriction (or APR) program.

11. Overall, how satisfied are you with the APR program?

- 1--Very satisfied--go to Q. 13
- 2--Somewhat satisfied
- 3--Somewhat dissatisfied
- 4--Very dissatisfied
- 5--Don't know

12. What are the major reasons you are dissatisfied with the program?

- 1--Enter response

13. What factors were most important to you in your original decision to participate in the APR program?

- 1--Enter response

14. Based on your experience, if you had to do it over again, how likely would you be to participate in the APR program?
- 1--Very likely
  - 2--Somewhat likely
  - 3--Somewhat unlikely
  - 4--Very unlikely
  - 5--Don't know

Next, I would like to ask about the [current use of the APR restricted land; use of the APR restricted land before you sold it].

15. Approximately what proportion of the restricted land [is;was] used for agriculture?
- 0--None--go to Q. 18
  - 1--1 to 24 %
  - 2--25 to 49%
  - 3--50 to 74%
  - 4--75 to 99%
  - 5--All of it
  - 6--Don't know
16. [Do;did] you farm the restricted land yourself or rent it out for agricultural purposes?
- 1--Farm the land myself
  - 2--Rents land--go to Q. 19
  - 3--Combination
  - 4--Land is farmed by a family member--go to Q. 19
  - 5--Other--go to Q. 19
  - 6--Don't know--go to Q. 19
17. About what proportion of the restricted land [do;did] you yourself use for agricultural purposes?
- 0--None
  - 1--1 to 24 %
  - 2--25 to 49%
  - 3--50 to 74%
  - 4--75 to 99%
  - 5--All of it
  - 6--Don't know
18. About what proportion of the restricted land [do;did] you yourself use for non-agricultural purposes?
- 0--None
  - 1--1 to 24 %
  - 2--25 to 49%
  - 3--50 to 74%
  - 4--75 to 99%
  - 5--All of it
  - 6--Don't know

19. [If rents] About what proportion of the land [do;did] you rent out for agricultural use?  
 0--None  
 1--1 to 24 %  
 2--25 to 49%  
 3--50 to 74%  
 4--75 to 99%  
 5--All of it  
 6--Don't know
20. [If rents] About what proportion of the land [do;did] you rent out for non-agricultural use?  
 0--None  
 1--1 to 24 %  
 2--25 to 49%  
 3--50 to 74%  
 4--75 to 99%  
 5--All of it  
 6--Don't know
21. [If uses or rents out land for non-agricultural purposes] What [is;was] the land used for?  
 1--Enter response
22. About what proportion of the land [is;was] not being used?  
 0--None  
 1--1 to 24 %  
 2--25 to 49%  
 3--50 to 74%  
 4--75 to 99%  
 5--All of it  
 6--Don't know

In an average year, approximately what percent of your land [is;was] used for each of the following ?

23. Dairy  
 0--None  
 1--Less than 10%  
 2--10-24%  
 3--25-49%  
 4--50-74%  
 5--75-99%  
 6--100%  
 7--Don't know
24. Vegetable production?
25. Orchards?
26. Other fruit production?
27. Hay?
28. Beef?
29. Horses?
30. Forest products?

31. [Is;Was] it used for any other agricultural production I did not mention?  
1--Yes  
2--No--go to Q. 34  
3--Don't know--go to Q. 34

32. What kind?  
1--Enter response

33. About what proportion of your land [is;was] used for this purpose?  
0--None  
1--Less than 10%  
2--10-24%  
3--25-49%  
4--50-74%  
5--75-99%  
6--100%  
7--Don't know

[Ask those who sold rights Q34 to Q45, ELSE GO TO Q46] Next, I would like to ask about your use of the income from the sale of the development rights. Which of the following were you able to do with funds from the sale of the development rights?

34. Reinvest in the farm?  
1--Yes go to Q. 37  
2--No go to Q. 37  
3--Don't know go to Q. 37
37. Paid off debts?
38. Purchased non-farm equipment or products?
39. Used for general savings or investment?
41. Used toward a retirement fund?
42. Used for travel or recreation?
43. Used for educational expenses?
44. Established trusts for children?
45. What was the primary use of the funds?  
1--Enter response

[Ask people who bought protected land Q46 to Q49, ELSE GO TO Q50] Next, I would like to ask about your experience purchasing APR restricted land. Would you say that selling the development rights to the land affected each of the following positively or negatively?

46. The overall attractiveness of the land?  
1--Very positive impact  
2--Somewhat positive impact  
3--Somewhat negative impact  
4--Very negative impact  
5--Don't know
47. Purchase price of the land?
48. Your ability to purchase the land?
49. Your ability to obtain financing for the purchase?

[Ask people who have sold protected land Q50 to Q54, ELSE GO TO Q55] Next, I would like to ask about your experience selling APR restricted land. Would you say the APR restrictions affected each of the following positively or negatively:

50. The overall attractiveness of the land to potential buyers?  
1--Very positive impact  
2--Somewhat positive impact  
3--Somewhat negative impact  
4--Very negative impact  
5--Don't know
51. Your ability to sell the land?
52. The price you could ask for the land?
53. The overall amount you received including the APR funds and the sale price (compared to what you would have received without the APR restriction)?
54. The buyer's ability to obtain financing for the purchase?

Next, I would like to ask about changes you have made to the farm. Which of the following [have you done since; did you do after] you [sold the development rights; purchased or inherited the restricted land]?

55. Changed your mix of products, for example increased or decreased the proportion of land used for certain crops or livestock?  
1--Yes  
2--No  
3--Don't know
56. Developed new products, including growing new crops, adding livestock or creating new products from crops you had already been growing?
57. Bought new farm equipment, such as tractors, a manure storage facility or a milking parlor?
58. Bought more land?
59. Bought additional livestock?
60. Increased tillable acreage?
61. Bought new farm buildings?
62. Improved existing buildings?
63. Hired farm employees?
64. Established conservation practices, such as drainage, coverage, etc.?
65. Established new farm management practices, such as seasonal dairy or rotational grazing?
66. Established other farm practices, such as organic certification or IPM (Integrated Pest Management)?
67. Developed new marketing techniques, such as a private label?
68. Opened or expanded a retail outlet like a sugar shack or farm stand?
69. Bought new equipment for managing the farm, such as a computer or fax machine?

70. Transferred the ownership or operation of the farm to a family member?

71. Did you make any other changes that I did not mention?

1--Yes

2--No--go to Q. 73

3--Don't know--go to Q. 73

72. What other changes did you make?

1--Enter response

For people who have improved or expanded farm:

73. How important were the [APR funds, savings on the purchase of the restricted land] in your ability to expand or improve the farm in the ways you have just mentioned?

1--Very important

2--Somewhat important

3--Somewhat unimportant

4--Very unimportant

5--Don't know

74. How important [have these changes been;were these changes] in increasing your farm's profitability?

1--Very important

2--Somewhat important

3--Somewhat unimportant

4--Very unimportant--go to Q. 76

5--Don't know

75. Can you briefly describe some of the most successful changes you [have] made?

1--Enter response

76. How would you assess the importance of these changes for the long-term viability of using your land for agricultural purposes?

1--Very important

2--Somewhat important

3--Somewhat unimportant

4--Very unimportant

5--Don't know

How important were the [proceeds from the sale of the development rights; savings from buying land with the APR restriction] for each of the following:

77. Ability to expand farming operations?

1--Very important

2--Somewhat important

3--Somewhat unimportant

4--Very unimportant

5--Not applicable

6--Don't know

78. Ability to hire employees?

79. Ability to purchase needed supplies and products from local vendors?

80. Ability to purchase more land?

81. Ability to install or implement conservation practices?

82. Ability to pass the farm on to a family member?



For people who have bought more land since [selling the rights; purchasing the restricted land]

83. When you purchased the new land, was it also protected from development at the time of purchase?  
 1--Yes--go to Q. 85  
 2--No  
 3--Don't know
84. Since you purchased the land, have you sold the development rights?  
 1--Yes  
 2--No  
 3--Don't know

[Ask those who live on land, ELSE GO TO Q97] Next, I would like to ask you about your plans for the land for the next 10 or more years. How likely are you to do each of the following:

85. Continue with your current agricultural use?  
 1--Very likely  
 2--Somewhat likely  
 3--Somewhat unlikely  
 4--Very unlikely  
 5--Don't know
86. Improve or change your agricultural use of the land?
87. Pass on the land to children or other family members for continued agricultural use?
88. Use the land for non-agricultural purposes?
89. Sell the land?
89. In the long term, are you considering doing anything else with the restricted land?  
 1--Yes  
 2--No--go to Q. 92  
 3--Don't know--go to Q. 92
91. What are you considering?  
 1--Enter response
92. In the long term, does owning protected land make farming more or less viable financially for you and your family?  
 1--Much more viable  
 2--Somewhat more viable  
 3--Somewhat less viable  
 4--Much less viable  
 5--No impact [DON'T READ]  
 6--Don't know

93. Has owning protected land increased or decreased the likelihood that you will pass the land on to children or other family members?  
1--Increased significantly  
2--Increased somewhat  
3--decreased somewhat  
4--Decreased significantly  
5--No impact [DON'T READ]  
6--Don't know
94. Has owning protected land made it more or less likely that you have implemented conservation practices or other environmental improvements?  
1--Much more likely  
2--Somewhat more likely  
3--Somewhat less likely  
4--Much less likely  
5--No impact [DON'T READ]  
6--Don't know
95. Have you tried to sell or are you interested in selling any of the protected land?  
1--Have tried in past  
2--Interested in selling land in short term  
3--Interested in selling land in long term  
4--Not interested in selling land  
5--Don't know
96. If you wanted to sell your protected land, how do you think the APR restriction would affect the ease with which you could sell it? Would it make it:  
1--Much easier  
2--Somewhat easier  
3--More difficult  
4--Much more difficult  
5--No impact [DON'T READ]  
6--Don't know

The final questions are for statistical purposes only.

97. In what town is the farm located?  
1--ENTER RESPONSE FROM TOWN LIST
98. How many total acres is the farm, included APR restricted and unrestricted land?  
[777 for Don't know]  
1--Enter number - High value = 10000
99. What is your total annual gross income derived from farming in an average year?  
1--0 to 1,000  
2--1,000 to 5,000  
3--5,000 to 10,000  
4--10,000 to 50,000  
5--50,000 or more  
6--Don't know
100. Are you also employed in non-farm work?  
1--Yes  
2--No  
3--Don't know

101. Is anyone else in your household employed in non-farm work?  
 1--Yes  
 2--No  
 3--Don't know
102. Including yourself, how many household members work on the farm, including in bookkeeping, administration, marketing, management, as well as agricultural functions. ? [77 for don't know]  
 1--Enter number - High value = 100
103. How many non-household members do you employ on the farm, including in bookkeeping, administration, marketing, and management, as well as agricultural functions.? [77 for Don't know]  
 1--Enter number - High value = 100
104. Are you between the ages of:  
 1--18 and 24  
 2--25 and 34  
 3--35 and 44  
 4--45 and 54  
 5--55 and 64  
 6--65 and over  
 7--Won't say-refused [DON'T READ]
105. What is the highest level of education you have completed?  
 1--Grade school  
 2--Some high school  
 3--High school diploma  
 4--Some college  
 5--College degree  
 6--Advanced degree  
 7--Won't say-refused [DON'T READ]
106. Are you:  
 1--Single  
 2--Married  
 3--In a domestic partnership  
 4--Divorced-separated  
 5--Widowed  
 6--Won't say-refused [DON'T READ]
107. Which of the following broad categories best describes your total HOUSEHOLD income for 1996 before taxes?  
 1--Under \$7,500  
 2--\$7,500 to \$10,000  
 3--\$10,000 to \$15,000  
 4--\$15,000 to \$25,000  
 5--\$25,000 to \$35,000  
 6--\$35,000 to \$50,000  
 7--\$50,000 to \$75,000  
 8--\$75,000 and over  
 9--Won't say-refused[DON'T READ]

American Farmland Trust and the Deerfield and Franklin land trusts will be following up with some APR participants to better understand how the APR program has helped farmers.

### Appendix C: Guided Format for In-Person Interviews

RESPONDENT'S NAME: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

INTERVIEWER'S NAME: \_\_\_\_\_

Hello, my name is \_\_\_\_\_ and I'm with American Farmland Trust. A few weeks ago, Market Street Research interviewed you about your participation in the Agricultural Preservation Restriction (APR) program. They asked you whether it would be all right if we called you back to talk to you in more detail about your experiences with the APR program.

The interview will take about an hour of your time. I would be happy to come to your home to talk with you, at a time that is most convenient for you. What day and time would be best?

INTERVIEW DATE: \_\_\_\_\_ TIME: \_\_\_\_\_

I'd like to start with some background information about your farm's history, what products you grow, and how you became involved in the Agricultural Preservation Restriction program.

#### QUESTIONS ABOUT FARM HISTORY:

1. Can you give a brief history of how you became involved in farming?
2. How many years has this farm been in existence? What year did it start?
3. Did you start the farm, did you buy an existing farm, or did you inherit the farm?
4. How many acres of land do you have on this farm?
5. Do you own all of the land that you farm, or do you rent land from someone else? How much of the land do you own? How much of the land do you rent from someone else?
6. Do you rent any of the land you own out to other farmers? How much land, and how long are the leases? How does renting fit in with your overall plan for the farm?
7. What products do you grow or produce on this farm?
8. What are the main challenges you have faced recently as a farmer?
  - Marketing challenges?
  - Financial challenges?
  - Family-related challenges?
9. Do you consider farming to be your main occupation? If not, what is your main occupation? How does farming fit with your overall lifestyle?

**INITIAL CONTACT WITH APR PROGRAM:**

1. How did you first learn about the APR program? Who told you about it, or what was your main source of information about it?
  - Brochure?
  - Newspaper article?
  - Advertising by the APR program?
  - Word of mouth from friends, relatives, neighbors or co-workers?
2. What made you decide to contact the APR program?
3. How did you first make contact with the APR program? What was that like?
4. What were your first impressions of the APR program?
5. Did you speak with neighbors, friends or colleagues about the APR program?
  - What did they say about the program?
  - Were their impressions positive? Neutral? Negative?
6. What did you find most attractive about the APR program? What features seemed most appealing to you, when you first heard about it or met with them?
7. Did you have any concerns about the program? What were your concerns?

**DECISION TO PARTICIPATE IN APR PROGRAM:**

1. Once you had information about the APR program, what made you decide to participate in it? How did you make that decision?
2. What were your major concerns or worries about participating in the program?
3. What seemed most attractive about it? What did you think was your main incentive to participate?
4. What information did you gather about the program, or what were your questions about it? Who did you talk to to get that information?
5. Did you ask for advice about participating in the program from:
  - APR staff?
  - Land trust staff?
  - Friends, relatives, co-workers, neighbors?
  - Attorney?
  - Farm adviser?
  - Local official?
6. What in the APR program has been most helpful for you, and what has been a hindrance? Do you have any suggestions in this respect?
7. Was the APR program part of an overall strategy or plan you have for your farm? In what way? How did the APR program fit with your overall plan?
  - Estate planning?
  - Transfer of the farm to a family member?
  - Other plans or strategies for your farm?

**EXPERIENCE OF PARTICIPATING IN PROGRAM:**

1. How satisfied were you with the application process for the APR program? What was it like to apply? If you were dissatisfied, why? [PROBE ON RESPONSES TO SATISFACTION AND DISSATISFACTION]
2. Were there any unexpected surprises that came up during the application process? [PROBE ON SPECIFIC RESPONSES]
  - Any positive surprises?
  - Any negative surprises?
3. What was the closing process like? Was the experience positive or negative for you? [PROBE ON POSITIVE OR NEGATIVE EXPERIENCES]
4. Were there any unexpected surprises that came up during the closing process?
  - Any positive surprises?
  - Any negative surprises?
5. After the closing, how did you feel about your decision to participate in the program?
6. Were there any issues that came up after the closing?
  - Problems with taxes or assessors?
  - Problems with local town government?
  - Problems with dealing with capital gains taxes?
  - Problems selling or renting land covered by APR program?
  - Problems with APR program restrictions on uses of the land?
  - Problems dealing with banks?
  - Problems getting credit?
  - Any other problems or issues?

**AFTER COMPLETING APR APPLICATION PROCESS:**

1. Did you have an idea before applying about what you would use the funds for? What did you plan to use the funds for?
2. What did you end up using the funds for? For example, did you:
  - Reinvest the farm? In what ways?
  - Use the funds to pay debts?
  - Transfer funds to family members, or set up trusts?
  - Transfer land to a family member?
  - Use the funds for other expenditures, such as vacations, school, etc.?
3. Did you make any improvements or changes in the way you operate your farm as a result of participating in the APR program? For example, did you: [PROBE ON EACH]
  - Expand your farming operations?
  - Hire employees?
  - Purchase supplies or products?
  - Purchase or rent more land?
  - Install or implement conservation or environmental measures?
  - Change your products or start producing new products?
  - Change your farm management techniques?
  - Install office technology?
  - Open a retail outlet or develop a retail business?
  - Install management technology (e.g., computers, farm software)?
  - Transfer the farm?

4. What was the impact of the changes you made?
  - What motivated you to make these changes?
  - Were the changes successful? Not successful? PROBE ON RESPONSES
  - What was the economic impact of the changes? PROBE ON RESPONSES
  - Would you make these changes again, given your experiences?
  - Are you planning on any other conservation or environmental measures?
5. What conservation or environmental measures did you implement?
  - What motivated you to make these changes?
  - Were the changes successful? Not successful? PROBE ON RESPONSES
  - What was the economic impact of the changes? PROBE ON RESPONSES
  - Would you make these changes again, given your experiences?
  - Are you planning on any other conservation measures in the future?
6. What changes did you make to your product mix [PROBE ON DAIRY/HAY]?
  - What motivated you to make these changes?
  - Were these changes in response to market forces, or other factors?
  - Were the changes successful? Not successful? PROBE ON RESPONSES
  - What was the economic impact of the changes? PROBE ON RESPONSES
  - Would you make these changes again, given your experiences?
  - Are you planning on any other changes to your product mix in the future?
7. Did the APR program play a role in motivating you to make the changes we've been discussing to your farm? In what ways? [PROBE ON RESPONSES]
8. Did you find any opportunities for your farm that were enhanced because of your participation in the APR program?
9. Did the APR program cause you to lose opportunities that you think you might have had if you had not participated?
10. In terms of your current farm operations, what were the most successful changes you made to your farm since participating in the APR program?
11. What are your plans for the future? Are you planning on making any additional changes to your farm?
  - Expand your farming operations?
  - Hire employees?
  - Purchase supplies or products?
  - Purchase or rent more land?
  - Install or implement conservation or environmental measures?
  - Change your products or start producing new products?
  - Change your farm management techniques?
  - Install office technology?
  - Open a retail outlet or develop a retail business?
  - Install management technology (e.g., computers, farm software)?
  - Transfer the farm to a family member?
  - Any other changes?
12. Does the APR program play a role in your decisions about future plans for changes to your farm? Does it make it easier or harder to make changes?
13. What impact do you think the APR program will have in the future:
  - On your farm's financial stability or growth?
  - On your family?

14. If you hadn't participated in the APR program, do you think your farm would be different? In what ways? [PROBE ON SPECIFICS]
15. Does the APR program have an impact on your feelings about farming or your farm?
16. Do you have any suggestions for improvements to the APR program?
17. Do you have any advice or suggestions for future participants in the program?

Thank you very much for your time! I appreciate your thoughtful responses to this questionnaire. We hope to use your input to improve the program in the future.



Appendix D: Geographic location of farms studied, Franklin and Hampshire Counties

Town	Farms surveyed for this report	Total protected farm parcels *
Amherst	12	27
Ashfield	1	3
Belchertown	0	2
Chesterfield	1	2
Colrain	2	2
Conway	1	1
Cummington	2	8
Deerfield	3	14
Easthampton	1	4
Gill	1	2
Granby	0	2
Greenfield	3	5
Hadley	16	29
Hatfield	2	2
Hawley	3	3
Montague	4	13
New Salem	1	1
Northampton	1	4
Northfield	1	2
Plainfield	0	1
Shelburne	1	4
Shutesbury	0	1
South Hadley	1	1
Southampton	2	6
Sunderland	8	20
Whately	6	8
Williamsburg	1	2
Worthington	2	3
<b>Total</b>	<b>76</b>	<b>172</b>

\* The total number of farm parcels protected in each town is higher than the total number of farms protected in each town, due to the fact that some families have protected several parcels of the same farming operation at different times.

## ENDNOTES

## ENDNOTES

<sup>1</sup> Massachusetts law defines an agricultural preservation restriction as “a right, whether or not stated in the form of a restriction, easement, covenant or condition, in any deed, will or other instrument executed by or on behalf of the owner of the land appropriate to retaining land or water areas predominantly in their agricultural farming or forest use, to forbid or limit any or all (a) construction or placing of buildings except for those used for agricultural purposes or for dwellings used for family living by the land owner, his immediate family or employees, (b) excavation, dredging or removal of loam, peat, gravel, soil, rock or other mineral substance in such a manner as to adversely affect the land’s overall future agricultural potential; and (c) other acts or uses detrimental to such retention of the land for agricultural purposes. Such agricultural preservation restrictions shall be in perpetuity except as released under the provisions of section thirty-two [see below, note 2]. All other customary rights and privileges of ownership shall be retained by the owner including the right to privacy and to carry out all regular farming practices. Massachusetts General Laws Chapter 184, section 31; the entire text of the law is available at <http://www.farmlandinfo.org>.

<sup>2</sup> According to Massachusetts General Laws, Chapter 184 section 32, “No restriction that has been purchased with state funds shall be released unless it is repurchased by the land owner at its then current fair market value...Agricultural preservation restrictions shall be released by the holder only if the land is no longer deemed suitable for agricultural or horticultural purposes or unless two-thirds of both branches of the [Massachusetts legislature]...vote that the restrictions shall be released for the public good.” This section does not prevent public utilities from taking land subject to an *apr* through eminent domain proceedings. Other provisions of Massachusetts state law make it clear that a two-thirds affirmative vote of both branches of the legislature is required before any *apr* purchased with state funds may be released.

<sup>3</sup> “Active agricultural or horticultural use” is defined under Massachusetts Chapter 61A as:

## AGRICULTURE

the raising of animals, including but not limited to dairy cattle, beef cattle, poultry, sheep, swine, horses, ponies, mules, goats, bees and fur-bearing animals, for the purpose of selling such animals or a product derived from such animals in the regular course of business; or when primarily and directly used in a related manner which is incidental thereto and represents a customary and necessary use in raising such animals and preparing them or the products derived therefrom for market; or

## HORTICULTURE

Including but not limited to the raising of fruits, vegetables, berries, nuts and other foods for human consumption, feed for animals, tobacco, flowers, sod, trees, nursery, or greenhouse products, and ornamental plants and shrubs for the purpose of selling such products in the regular course of business; or when primarily and directly used in raising forest products under a program certified by the state forester to be a planned program to improve the quantity and quality of a continuous crop for the purpose of selling such products in the regular course of business.

<sup>4</sup> Massachusetts General Laws 132a, section 11A, 330 Code of Massachusetts Regulations 22.00.

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*

<sup>7</sup> American Farmland Trust, *Protecting Farmland Through Purchase of Development Rights: The Farmers’ Perspective* (Northampton, Mass., 1988).

<sup>8</sup> U.S. Bureau of the Census, *1992 Census of Agriculture* (Online, 1997, available <http://govinfo.kerr.orst.edu/ag-stateis.html>).

<sup>9</sup> *Ibid.*

<sup>10</sup> U.S. Department of Agriculture, Natural Resources Conservation Service, 1992 Natural Resource Inventory Highlights.

<sup>11</sup> *Ibid.*

<sup>12</sup> Originally, the study sponsors intended to include a seventh case study in the report, but the owner of one of the case study farms was reluctant to receive publicity and asked that his story not be included in the final document.

<sup>13</sup> While just 24 percent of farmers surveyed for this report have non-farm jobs, 76 percent reported that at least one other person in their household works off the farm.

<sup>14</sup> For more information on rotational grazing, please visit AFT's web site devoted to this topic at <http://www.grassfarmer.com>.

<sup>15</sup> According to Massachusetts General Laws Chapter 61A, farmers who have at least five acres of land "actively devoted to agriculture or horticulture" may apply to have their land assessed at its agricultural value instead of fair market value for local property tax purposes. Normally, landowners must submit a 61A application each year. If the land is converted to ineligible uses, the landowner generally must pay a penalty.

<sup>16</sup> Under the 61A program in Massachusetts, farmland is assessed according to the value of the current agricultural use of the land. Thus, farmers would owe more taxes on land devoted to a high-value crop, such as tobacco, than a low-value crop, such as hay. APR farmers are **not** required to submit an application to the 61A program to have their protected land assessed at its agricultural value, but they do need to inform their local tax assessors which crops or livestock the land is devoted to each year.

<sup>17</sup> The Massachusetts Farm Viability Enhancement Program provides consulting services and grants to farmers who agree to temporarily restrict development on their land. The project helps farmers develop business, financial and conservation plans and create new products and services.

<sup>18</sup> See note 16.

<sup>19</sup> American Farmland Trust, *Does Farmland Protection Pay?: The Cost of Community Services in Three Massachusetts Towns* (Northampton, Mass., 1992).

<sup>20</sup> Paul Elconin and Valerie A. Luzadis, *Evaluating Landowner Satisfaction with Conservation Restrictions* (Syracuse, N.Y.: SUNY College of Environmental Science and Forestry, 1997).

<sup>21</sup> The 168-acre average farm size is adjusted for outlying values—a farmer who reported owning 2,600 acres was excluded from the data.

<sup>22</sup> Robert E. Coughlin, John C. Keene, J. Dixon Esseks, William Toner and Lisa Rosenberger, *The Protection of Farmland: A Reference Guidebook for State and Local Governments* (Washington, D.C.: U.S. Government Printing Office, 1981), p. 35.

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